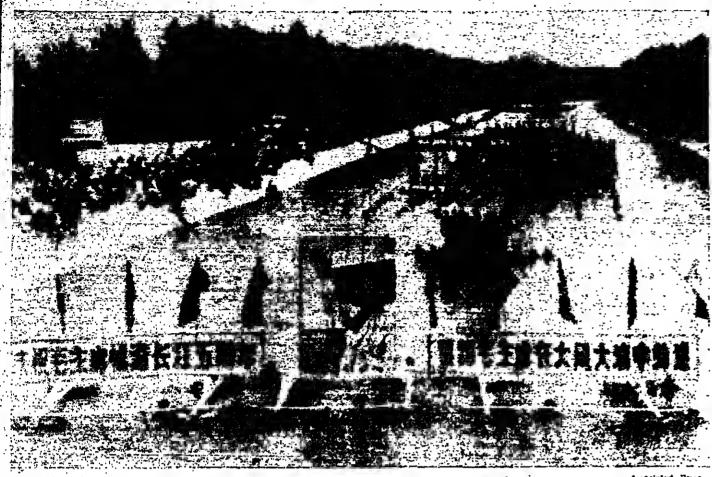
ADDRESONAL MEATNER-PAGE &

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PARIS, MONDAY, JULY 19, 1971

Established 1387



take to the Yangtze Friday, the fifth anniversary of and Western newspapers scoffed at the claim, noting the fabled swim by Communist party chairman Mao Tse-tong. In his 1966 feat, it was reported that Mr. Mao is twice the world's record for the 220-yard distance covered 9.3 miles in 65 minutes, swimming downstream not bad, they said, for a man who was then 72 years old.

THE SWIM-Several thousand Chinese soldiers from the Wuchang Dikes on the Yangtze. that his speed, the equivalent of 252 yards a minute,

## Nixon's China Trip

## Peking Paper Prints 7 Lines on Visit, Then Ignores It

speechless.

By James Reston

Pagawinch comes out any time of the day that there is news. are the story seven lines in us front nace Friday It did not mention the were ignored. mailer yesterday and ignored

PEKING, July 18 (NYT).—The Chimbee hovernment seems 12 the midding less fush over Press and their dropped the subject and their dropped the subject and their dropped the subject for Peking than most other comments in the world.

The Peking daily Jenmin Jih Paginaritch comes out any trees.

Foreign, Office officials passed on to Premier Chou En-lai requests for information about the Kirsweer mission.

People in the streets and even

about discussing what for them is a surpristor development. For years they have been urged from billocards and propagation rucks to runite and defeat the United States aggresors and oil their running dogs," so the switch leaves them cautious if not

Western diplomatic corps. They were outspokenly, olmost joyfully complimentary to Mr. Nison for

Peking's entry into the world organization this autumn. circulation and Mr. Yefremov's Aside from this awkward dilem-

m.s over who should represent China in the UN, and what

Unless one gets to the top of the Chinese government, however, it is hard to get dependable information. Even the Foreign Office was not told about the mission by Mr. Kissinger, President Nixon's adviser on national scrurity, and apparently it has yet to be filled in on his talks with Premier Chou. The diplo-matic corps was given no advance information about the joint communiqué.

the comments of President Nition at Peking University seem wary mission that might finally lead to normalization of relations

between Weshington and Peking. President Nixon, ther- noted, must have known that so dramotle an American diplomette initiative would encourage mao; wavering nations to support the mounting drive to expel Nationalist China from the United Nations and give its seat to the Peking government.

It is hard to imagine, diplomats here observed, that the President would time Mr. Kissinger's trip to Peking before the September meeting of the UN General As-sembly and his own visit to Peking after the assembly if he intended to lead the fight against

scems to be a rising campaign here against United States-Japanese "militarism," the timing of the President's move seems ideal. The general tone of official talk here is moderate and even friendly. Chinese Foreign Office officials go out of their way to say that China is a big but poor country, not a superpower and with no ambitions to be one. They say the Chinese want what is theirs-meaning Toivan-but that Peting can walt. They say Peking does not want war and could not impose its social and political system on Southeast Asia if it wanted to.



## Jordan Defeats the Guerrillas; Massacre, Rout Are Reported

BEIRUT, July 18-A battle which began Tuesday between Jordanian troops and Paiesunian guerrillas appeared ended today in North Jurdan. There were conflicting accounts about the start of the fighting and about its finish, but neeplite the propagandistic murk it was clear that King Husseln's troops had won a major victory. A Jor-danian spokesmen said that the peace pact reached last fall in Cairo was now invaild.

The conflicting reports includ-

● A press-conference state-ment by King Husseln that "we had no choice but to act against the commandos because they became a nuisance to many people and to the armed forces nghting was finished, he said, adding: "This is fina!. Now there is no problem, and attempts are being made to bring them together and achieve a better solution." He said: "I' need be we are all fedayeen 'guerrillası' against the Israelis. A statement from querrilla

representatives in this Lebanese capital that commandes had fled to Israeli-controlled territory to escape butchery by Eussein's sol-The statement said that the flight started when royal Jordanian troops moved down a large number of guerrillos after they surrendered in response to loudspeaker invitations. The statement added that the fugitives preferred to die at the hands of the Israell enemy rather "than be slaughtered by their Arab brothers."

· A statement from Israeli officials in Tel Aviv that government troom had captured 47 Palestinian intitrators over the

The guerrilla spokesmen in Beirut said that Israel had acknowledged the arrival, in Israeli-occupied territory on the of 16 commandos. "We are sure had been working as Israelt agents tember were no longer valid ment said, and added that some seek protection by the Israelis, monitored in Jerusalem announc-

But those in the party favor-

ing it were actually encouraged

by the day's events. They were

given nearly equal time in the

televised proceedings, and they felt they demonstrated that the

market has considerable support

They hope that their showing

will make it more difficult for

the party leadership to force them into voting in Parliament

The House of Commons is ex-

within Labor's ranks.

against the terms.

ROYAL SOLDIER -- Jordan's King Hussein jnmps from a

civilians had also fied to the . A government official in Ara-Fest Bank. man said Jordan considered that in the now-calm area of Jerush

● In Amman, a Jordan spokes- the Cairo agreements which end- and Ajloun—began when governguerrillas who ed Jordan's civil war last Sep-

that 70 others arrived," the state- had traveled to the West Bank to : A Baghdad radio communique habited areas. The government

ed that Iraq had severed diplo-matte relations with Jordan, elerec the border and barred dordanian aircraft from flying over Iraqi territory. The radio said the action was taken because Jordan had renounced the Cairo agreements with the Palertinians. The Sudan government added its denunciation of Jordan, A broadcast by the Omdurman radio heard in Cairo said that the Jordanian Army attacks against the guerrillas were "a serious crime which all Arab governments and people should speedily con-The Jordanian spokesinan in

agreement with the commandes and that there would not be any. The time has gone when the Arab guerrilla leaders

Amnian said in response to a question that there was no new

take major steps toward unity, apparently rally-ing behind Yassir Arafat. Story, Page 2.

commacdes could act according to their whim," he stated. "The time has come for the state to determine the areas where they must stay. They must also respond to the state's instruc-

Egypt's Middle East News Agency reported from Beirut, meanwhile, that Syrian authorities had set up aid stations in north Jordan to treat wounded guerrillas. Some injured fedayeen have already been moved to the Syrian capital, Damascus, the news agency said, for hospital

A Syrlan peace-mediation team was said to have continued into the third day as negotiations with Jordanian officials to Amena. Patton tank during maneuvers near Amman recently. The team from Syrla is a military delegation, it was reported.

> Jordan said that the battlement troops tried to move guerrillas from populated to unin-(Continued on Page 2, Col. 7)



#### Wilson Assails EEC Terms, **But His Labor Foes See Gain**

By Anthony Lewis

market.

LONDON, July 18 tNYT).— came for speakers opposed to the Harold Wilson yeslerday savagely attacked the terms negotiated by the Conservative British government for entry into the Europeao Ecocomic Community.

Mr. Wilson, leader of the Labor opposition, stopped just short of saying outright that he will now oppose entry. But no one hearing him was left in any doubt that he will shortly declare himself against it

As prime minister four years ago, Mr. Wilson committed himself strongly to joining the Com-mon Market, but he has gradually changed his tone since losiog the election a year ago. He is now expected to complete his turnabout on July 28, when he will disclose his position.

The Wilson speech wound upa special one-day Labor party con-ference on the issue of Europe. The meeting's mood, like his, was negative. The loudest applause



Harold Wilson, shown at the

#### pected to vote on the issue Oct. Labor party conference. (Continued on Page 2, Col o) IRA Gunmen Blast Presses

Of a Newspaper in Belfast

BELFAST, July 18 (UPI:.-Raiders armed with submachine guns and pistols iovaded the Beifast plant of the Daily Mirror yesterday, heroed the staif into the tollets and bombed the printing presses, police said. No one was hurt, according to

a police spokesman

In the Irish Republic capital of Dublin, the outlawed Irlsh Republican Army said its men carried out the attack. An IRA spokesman said the newspaper had "propagated British propa-

Fourteen men, with stocking masks over their faces and orangishing Thompson submachine guns and pistols, charged into the nationally circulated British newspaper's plant at Suffolk, on the outskirts of the Northern Irish capital, overpowered the watchmen and forced the 15 workers into toilels and shower rooms.

Then they placed a bomb of about 20 pounds of gelignite in the presses at the building's rear, piled into three vehicles and sped away, police said.

The bomb exploded 20 seconds later, wrecking the presses, blowing out windows and damaging much of the ground floor. was a pretty expensive blast," a police spokesman said.

"Say a word and we'll cut you down," the raiders warned, according to Siggy Jacobseo, 34year-old assistant production edltor, one of the employees.

"As they dashed off they said we bad 20 accords to get out. I went back to try to telephone the fire brigade. I got to the second 9 of the fire-brigade nuother, 999: when the bomb went off," Mr. Jacobsen said.

The blast ripped the 22 million plact's web-offset color presses, smasked paper-loading machinery and sent an interior wall crashing. Short-circuited electric cables snat fire and smoke. Water cascaded from torn pipes.

The Daily and Sunday Mirror had opened the plant, said to be the most modern in Europe, only five years ago.

Pire chiefs said tonight that the building could collapse at any minute and warned employees to keep out,

Moments before the main body of raiders struck, a man armed with a pistol walked into the newspaper's offices carrying a copy of yesterday's Daily Mirror front page.

Its lead story was headlined "TRA Knew Just When to Strike" and told how IRA gunmen (Continued on Page 2, Col. 7)

#### Egypt, Libya Decry Jordan And Morocco

CAIRO, July 18 (NYT).-Eoding a three-day meeting to discuss new rifts in the Arab ranks, President Anwar Sadat of Egypt, Col Moamer Kazafuy of Libya and delegations from Syria and the Sudan last night condemned repressions in Morocco since an uprising there a week ago. They also charged that operations this week against Palestinian guerrillas by the Jordanian Army represented "flagrant violations" of last year's accords between the

two sides.
The talks wire held in Mersa Matrouh, a resort town west of Alexandria on the Mediterranean. A communique made public last night expressed "occp concern" about the situation in Morocco, "where people are being killed without trial." This clearly was an allusion to the shooting of at least ten mili-

tary officers accused as leaders of the attack on a seashore pal-ace on Saturday, July 10, white King Hassan II was celebratiog his 42d birthday

The communique also con-demned "extraordinary measures under which the Moroccan people

#### Viglation Charged It charged that the Moroccan

authorities had violated "diplo-matic procedure," by occupying the Libyan Embassy in Rabat after the leftist regime of Libya had expressed strong support of the mutiny against King Hassan. The Egyptian Middle East News

Agency reported Wednesday night that Libya had broken diplomatic relations with Morocco over the incident and had asked Egypt to look after Libyan utterests in Rabat.

There was confusion here today, however, whether Libya did indeed break relations or, possibly, had reconsidered the move

after passions began to subside. Al-Ahram, the authoritative Cairo Daily, said yesterday that the Libyau move oid not involve a break of relations but rather a withdrawal of the Libyan ambas-

sador and embassy staff. "This decision on the part of Libya makes it possible to return the ambassadors of the two countries to their posts in the near future after removing tensions that strained relations

following the receot incidents in Morocco," al-Ahram said,

## \*Unusual, Not Unexpected,' Says Moscow

MOSCOW, July 18 (UPI).-A and government thus appeared to trolled propaganda organ of wide newspaper today made the first be following a policy of soft, circulation and Mr. Vefremov's Societ commentary on President Nixon's projected visit to Peking by describing the news as "uousual, although not particularly

.It also suggested that Peking had treasonous motives-from the Soviet bloc viewpoint-in Inviting Mr. Nixon, using the familier Soviet journalistic faction of quoting from the foreign press to make that point. Commentator Alexander Yefremov, writing the week's review column for Komsomolskaya Prav-

HE LESS SECTION OF THE SECTION OF TH

OVE .

newspaper, said: The talks of [Premier] Chou Endai with White Hous' spokesman Henry Kissinger in Peking are being treated as a sensation in the Western press The news is actually unusual,

da, the Communist youth league

although not particularly unex-pected," Mr. Yefremov said. He then quoted a Western newspaper as analyzing the meaning of the Nixon visit this way: The invitation to visit Peking means that China is using all its

but of Vietnam under conditions

Soviet commentators frequently Dirk quotes out of foreign newspapers to suggest their own views en touchy subjects without actually committing themselves. This particular one recalls the king's willingness to take part in well-publicized Soviet claim that China is making secret deals with the United States over Victuam

In order to isolate the Soviet

Another Communist party newspaper, Sovietskaya Rossiya, made a suide; passing reference to the blossoming of Sino-American relations in an article about the latest Viet Cong peace of-

"Washington, possibly enchanted now by its flirtation with Poking, risks missing this thance," it said.

Pravda, the most anthoritative newspaper of Communist party opinion, reported a few more details of the Kissinger and Nixon visits today but added not a word of commentary.

The Soviet Communist party

747 Goes Off Runway SYDNEY, July 18 (CPI) -A Pan American World Airways 747 with 275 passengers and 15 crew aboard overshot a runway at Mascet Airport today and dug down four feet into the sand 80 yards from Cooks River, No one was miniet.

slow reaction through the official press-nothing in Prayda, but a brief expression of cool suspicion from Komsomolskaya Pravda. While the newspaper cannot

compare to Prayda or several other journals in stature, it is bonetheless an officially con-

the Vietnamese war.

Thao, sought to counter recent reports that Communist China

favored an international meeting

along the lines of the 1954 Geneva

The most recent report was by

Australian Labor party, who end-

ed a visit to China this week.

Mr. Whitlam said that Premier Chou En-lai had expressed Pe-

Mr. Thno insisted in a state-

ment here yesterday that. Peking

continued to support the position

that the war in Victnam should

be settled here in accordance with

the demands that the United

States set a date for total with-

drawai and abandon the present

Neither the South Vietnamese

nor the Viet Cong delegation have

commented directly on President Nixon's projected visit to Peking.

French observers have noted some

nervouchess and annoyance on

the part of the delegations in

recent months as Chinese-Ameri-

French officials have tried to

point out that warmer relations

between Washington and Peking

would make an American with-

drawal carier, but the North Vict-

namese and Viet Cong are still

believed to find it unsettling that

Mao Tse-rung is willing to talk

with the man they have been

denouncing as a warmonger and

Mr. Thao declared that it was

the fault of the United States

if the Paris talks were deadlocked.

can relations have improved.

Conference, which ended the

French Indochina war. .

such a conference.

Saigon regime.

views could not stray from official policy.

His comment that the latest Washington-Peking moves were "not particularly unexpected" contradicted some Moscow diplomats who said that the Russians had been much surprised.

## Viet Cong Insist Paris Talks Can Achieve Peace in Vietnam

By Henry Giniger

PARIS, July 18 (NYT) - He said: "Our position for tha A spokesman for the Vict Cong . settlement of the South Vietnadelegation declared yesterday that the Paris reece talks were still offering the best means of settling The spokesman, Duong Dinh

and the situation of our country."

mese questioo, detailed in our

"The Chinese Peopla's Repub-

declaration of seven points, arises from the aspirations of our people lie." he continued. "sustains our patriotic fight against American eggression. Premier Chon En-lal and the government of the Chinese People's Republic have just declared clearly again that the Chinese government and people

firmly support our seven-point peace plan."

MADRID MEETING-U.S. Vice-President Spiro T. Agnew, left, with Generalissimo Francisco Franco, right, and the Spanish Foreign Minister Gregorio Lopez Bravo at a reception at the El Pardo Palace in Madrid on Saturday night. Story, Page 3.

## GIs Seen Leaving Vietnam Before Nixon Visits Peking

By William Greider

WASHINGTON, July 18 (WP). been reached on terms of peace—Senate Republican leader Hugh with the other side," the senator Scott, of Pennsylvania, predicted today that U.S. combat troops will probably be gone from Vietnam by May of 1972—the deadline which President Nixon has set for his visit to mainland China.

In optimistic terms, Sen. Scott speculated on the beneficial relationship between the President's proposed trip to China end his efforts to settle the war in Indoelling, though the sengtor did not assert that a private bargain has already been struck to end the

"Certainly no conclusion has

#### **Nixon Urged** To Amplify China Policy

By Carroll Kilpatrick WASHINGTON, July 18 (WP). -President Nixon, Secretary of State William P. Rogers and foroign affairs edviser Henry A. Kissinger returned here today from San Clemente, Calif., to face mounting requests to amplify administration policy on a wide range of issues related to Mr. Nixou's forthcoming visit to

Tomorrow morning, the President will meet first with congressional leaders and then with the cabinet. There were no indications whether these meetings would shed any light on such issues

related to the visit as the war in Vietnam, trade with mainland China and the status of Taiwan. At the Western White House. presidential press secretary Ron Ziegler declined yesterday to give details about the meetings. He said only that their purpose is to discuss the China visit, which is expected to take place early next year.

Rogers to Stay Administration sources disclosed

that the President asked Secretary Rogers to cancel plans to address the American Bar Associetion convention in London this week, enabling him to stay in Washington. Here, he will be able to meet

with diplomats—primarily those from Asia—about the China decision, which Mr. Nixon disclosed In addition, Mr. Rogers may

have to make certain preparations for the expected announcement of the U.S. position on the admission of China to the United Nations. An exceptionally tight security

blanket remains over the entire China episode. Only Mr. Kissinger, who arranged the President's visit with Premier Chou En-lai, Mr. Rogers and a very few White House officials knew that anything of the kind was in the works.

This was true even though Mr.

Nixon, within ten days after moving into the White House, has been reported to have told a few of his closest advisers that the time had come to establish a new relationship with mainland China, It was not clear whether Vice-President Spiro T. Agnew knew in advance of the Kissinger mission. En route to Madrid, he said: "I am not free to comment on anything concerning President Nixon's announcement.

San Clemente, Mr. Ziegler declined to say if Mr. Agnew had
clined to say if Mr. Agnew had
of the most important things is
how to end the Vietnam war."

with the other side," the senator said. "I would think, however, that the fixing of May, 1972, 23 the latest date when the President would visit mainland Chins would indicate that hy that time we would probably have no combat troops in Southeast Asia and possibly no forces except those to carry out such agreements as, hopefully, have been made.'

#### Upbeat Predictions

The Republican floor leader claimed no inside information, but his comments on ABC television's "Issues and Answers" were decidedly upbeat on the question of an early end to the war. The détente with Communist China, he suggested, may be a positive force in moving North Vietnam toward a negotiated

'In my judgment, as soon as Hanoi heard of this planned visit of President Nixon, they must have had to do what the French call 'furiously to think,'" Sen. Scott remarked. "They must indeed have been shocked and etunned by the development. They must wonder whether Big Brother is going to pull the rug out from under them."

Less certain of support from Peking, Hanoi would thus move to strike its own bargain with the United States, Sen. Scott speculated. North Vietnam, ho noted, has a historic distrust of China even though it has accepted military aid from its northern neighbor during the protracted war.

Doves Underent

On the home front, Sen. Scott suggested, President Nixon's diplomatic coup undercut the congressional doves, who, he said. charge that the President wants to widen the war when he obviously wants to widen his horizons toward peace. It offers for the first time a rather substantive hope for a generation of peace, at least in Asia."

Nevertheless, the Republican senator acknowledged that, considering the recent history of domestic politics, a Democratic president would have caught 'pluperfect hell" from the Republicans if he had initiated the kind of dotente with the Communists which President Nixon

"A Republican president can often do things in foreign policy a Democrat can't, for good reason," said Sen. Scott. "Had the Democratic presidents moved toward this rapprochement with mamland China, people in this country, led by many Republicans, would still be seeing Communists under the bed, and they would have raised pluperfect hell.

"Therefore, a Republican president can do, with his long background of concern about Communism, what a Democratic president couldn't."

Sen. Scott suggested that the "normalized" relations with China may begin with something less than full diplomatic recognition, such as agreement to establish consulates in Peking and Washington rather than fullfledged embassies. Much may be accomplished in the preliminary diplomacy leading up to President Nixon's visit, be said, "to see that neither representative of a great nation has to take a re-huff when the communique is released, so that much will have

## Senior Taipei Leaders Insist They Won't Talk to Peking

By Ian Stewart TAIPEI, Taiwan, July 18 (NYT). the subject of considerable specu-

-At a time when policy shifts in Peking and Washington have produced a climate for consultation, the atmosphere here is unswervingly against change. The Chinese Nationalists re-

main adamantly opposed to talks with the Communists. Influential members of the ruling Kuomin-tang party unreservedly dismiss the chances of a situation arising in which representatives of the government of the Republic of China on Taiwan would sit down for talks with the government of the People's Republic of China A senior Kuomintang official

said: "We want to liberate the mainland and they want to liberate Taiwan, I don't see any time when there is a possibility of negotiations between tho Chinese Communists and us. We have very bitter experience of this. You simply cannot ne-cotinte with the Communists."

Since the United States began exploring the possibility of improving relations with Peking. the future of Taiwan has been

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lation. Throughout this period official sources have flatly rejected the concept of negotiations between Taipei and Peking.

Chinese Nationalist officials take the position that the Communists are masters of deceit end cunning and that their only aim in negotiations is unconditional surrender. They believe nothing good can come from President Nixon's decision to visit Peking and that his efforts to seek peace would be better served by bolstering the strength of the "free world."

Young Less Adamant

Members of the younger generation have more open minds on the possibility of negotiations hetween Taipel and Peking. A young member of the Kuomintang expressed his strong anti-Communist feeling but added that he did not believe the issue between Peking and Taipei should be resolved militarily.
"Eventually it will be resolved in a political wey." he said.

Other young people foresee a Peking might abandon some of their "extreme MaoIst" ideas and "become more Chinese than Communist." Then, perhaps, the time might be ripe for negotiations, they say,





Chou En-lai, when they met at Government Guest House in Peking on July 9. The photo of the historic 20-hour meeting was released by the White House yesterday.

Vinh Binh, was disqualified as a

candidate by the government-

appointed committee on elections

The provincial committee's de-

cision is not final, and Mr. Duc

plans to appeal to the Saigon-

based central elections committee.

But an important test of Presi-

dent Thien's willingness to toler-

A few weeks ago, Mr. Duc was jailed in Vinh Binh and charged

with assaulting a pro-government

provincial councilman after the

councilman spat beer into his

Binh to file formally as a candi-date for re-election, local officials

at first refused to admit him to

the province offices. They later

relented-perhaps because Mr. Duc

was accompanied by several for-

eign journalists and photographers.

Mr. Thieu wants to get rid of

Mr. Duc, legally or illegally, But

There is no doubt here that

Later, when he went to Vinh

ate open opposition appeared to

Communists.

from his province.

### Thieu Brands Thieu Foe Barred From Try **Drug-Profits** Charge a Lie

By Alvin Shuster SAIGON, July 18 ONTT).-President Nguyen Van Thieu yesterday described as shocking and slanderous a Netional Broadcasting Co. report alleging that he was using funds from the illegal drug market to finance his

campaign for re-election.
"This concrete example of journalistic irresponsibility which enables sensationalism to prevail over truthfulness is a disgrace to the journalistic profession and, willingly or not, has helped the Communist saboteurs who have heen trying to undermine the prestige of the legal government of the Republic of Vietnam," Mr. Thieu's press office said in a sta-

The NBC broadcast by Phil Brady charged that both Mr. Thieu and Vice-President Nguyen Cao Ky were profiting from the drug traffic, that the Vietnamese national police were pushing drugs and that "the biggest pusher is said to be Lt. Gen. Dang Van Quang," one of President Thieu's closest advisers and his special assistant for military and intelligence affairs.

Mr. Brady accused Mr. Ky of having made a fortune from smuggling gold and opium when he commanded the zir force. Since becoming vice-president, Mr. Brady said, Mr. Ky has left the job to trusted eubordinates in the air force but still "shares in the profits" partly because be needs money for his campaign against Mr. Thien in the elections this October.

The bitter public reaction yesterday was unusual for the government, which rarely goes out of its way to deny foreign press charges. But the broadcast, which for the first time openly occused the president of profiteering from drugs, obviously enraged Mr.

The charges elso upset highranking American officials, who insisted that they have no proof of any such ectivity and noted that NEC did not provide any, except to attribute the charges to "extremly reliable sources."

The officials confirmed that they had received reports of drug involvement by other South Viet-namese officials, but they argued that the eccusations were not

supported by evidence.
Rumors that influential South Vietnamese officials were engaged in the drug traffic have long eirculated in Saigon and a report prepared earlier this year by the J.S. provest marshal in South Vietnam suggested that there might be some reason to believe the reports, even though proof

#### Sihanouk's Sons Are Acquitted in Terrorism Case

PHNOM PENH, Cambodia, July 18 (AP).—The two sons of Cambodia's ousted head of state
Prince Norodom Sihanouk yesterday were acquitted by a speeial military tribunal on charges of terrorism.

Norodom Nararith, 27, and Norodom Neradipo, 25, a Peking-trained editor, who was designat-ed as Prince Sihar.ouk's heir. were found innocent of being involved with a group of terrorists. The group was held responsible for several attacks, including the bombing of the U.S. Embassy in Phnom Penh and o grenade attack on a downtown cinema in which more than 20 people were

killed Nararith was se! free. His halfbrother Neradipo is serving a five-year sentence for treason imposed by the same court earlier

tinis year. Four co-defendants were acquitted but five others were sentenced to terms of hard labor.

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CABESSA 11. Ch. Etys. 201. 4.16. (19) CABESSA 11. Floor on the left 10pen etery day, enter; Sundaya)

## Off Limits

SAIGON, July 18 (UPI) .enemy," a spokesman said, has recorded several hits, the

lyrics include a line "everybody ought to lay their weepons down."

give aid and comfort to the enemy." the spokesman said. The command last April banned playing of the song, "Ballad of Lt, Callev."

#### dent Thieu's most outspoken critic in South Vietnam's Netional with strong resistence from the American mission, which is doing Assembly was told yesterday that elections-both legislative and presidential-at least the appearance of honesty and openn Of the hundreds of candidates

he will not be permitted to run for a second term because he is considered too sympathetic to the Ngo Cong Duc, publisher of the who have filed for the National enti-government newspaper Tin Assembly's 152 seats, dozens were disqualified yesterday. But Mr. Sang and the assemblyman from the Mekong Delta province of Duc was the only one whose dis-

For Re-Election to Assembly

By Peter A. Jay

Deserters and Others

Many of the others who were declared unqualified turned out to be deserters from the army, draft-dodgers or civil servants who had been fired from their jobs.

qualification was obviously po-

Former Gen. Tran Van Don, a participant in the 1963 coup against President Ngo Dinh Diem and an opponent of the war, was accepted as a candidate from the strongly anti-government province of Quang Ngai, In addition to Mr. Duc, one

other incumbent assemblyman was disqualified by a provincial elections committee.

He is Nguyen Van Dau of Dinh Tuong Province in the delta, a virtually unknown legislator whom the province committee said "has supplied the Viet Cong with money." It was not known whether he planned to appeal the

## 3 Americans Die as 'Copter Is Shot Down in S. Vietnam

SAIGON, July 18 (UPI) .--Three Americans died when Communist groundfire brought down a U.S. observation belicopter yesterday, the U.S. command reported today.

South Vietnamese troops report-ed that they killed 40 guerrillas in scattered battles and uncovereo three large stockpiles of explosives, mortars and small arms within 30 miles of Saigon.

Battlefield ection remained slight yesterday, and there was no heavy ground action involving U.S. troops.

A U.S. military spokesman said an OH-6 Cayuse observation helicopter was shot down near the swampy U Minh forest on the southwestern tip of South Vict-nam, killing both crewmen and the observer.

In a deleyed report, the com-mand said another helicopter was shot down and destroyed in the same region on Thursday. Two the crash.

B-52 bombers renewed their attacks against suspected Com-munist positions in northern Quang Tri Province today after being grounded for a 24-hour pause while Typhoon Jean passed

through the area.

The typhoon, with winds of 80 miles an hour, brought heavy winds end reins to the Demill-

## Pop Record

The U.S. Command has banned playing of the pop record "Bring the Boys Home" over the armed forces Vietnam network because it could "give aid and comfort to the Sung by Freds Payne, who

"That sort of thing could

tarized Zone area yesterday and restricted U.S. air strikes there. Communist prisoners led Sonth Victnamese troops to the three munitions caches, the Seigon command reported.

The largest hoard was found near Ben Cat, 22 miles north of Saigon, and contained 200 pounds o. TNT, 10 pounds of plastic explosives, one 61-mm mortar launcher and 50 mortar rounds and an assortment of other

Another 14 cases of TNT, 16 ub machineguns, four rifles and 50 cases of assorted ammunition were uncovered in the Rung Sat swamps, 30 miles southeast of Saigon. The third cache, two 12.7-mm machineguns and two lighter weapons, was found 20 miles northwest of the capital. Vietnamese forces fought four sharp battles, incinding a two and one-half-hour fight in the "Street Without Joy" region, a strip of land extending from Hué

north to the Ban Hai River in the Demilitarized Zonc. Government forces said they killed 12 Communists and captured two in clashes live miles and six miles southwest of Hai Lang. in the heart of the region, Until recently, the area had been considered one of the most pacified regions of the country. Eight

South Vietnamese were wounded. In three other battles in the north, the central highlands and the U Minh forest, Salgon troops killed 28 Communists, while two government troops were killed and five wounded, Saigon spokes-

Leotlan Action

VIENTIANE, July 18 (Reuters). -Lactian troops and pro-government guerrilles yesterday were in control of areas west and south-east of the strategic Plain of Jara in an operation to destroy a potential North Vietnamese drive, mlistary sources said bere.

The sources said 60 American-trained guerrilla teams of five or seven men were working from the government guerrilla base of Boumlong, north of the Plain of Jars, and from a etring of bases to the west and southeast.

About 4,000 North Vietnamese troops believed to be in the area had offered little resistance so far because of unfavorable monsoon conditions, the cources added.

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EXPORT DISCOUNT ON THE SPOT

Rallying Behind Arafat

# Arab Guerrillas Move Toward Unity

By Ihsan A. Hijazi BEIRUT, July 18 (NYT) -

While Jordanian troops battled Palestinian commandos in the hills of northern Jordan last week, the leadership of the guerrilla organizations took major steps toward apparent unity.

All the main commando organizations appear to have railled around, the leadership of Yasir Arafat and they have joined a new executive committee of the Palestine Liberation Organization, the overall commando group. The 13-member committee is to be the highest authority within the movement, and under it, all 10,000 commandes, or fedaveen, are to have a single military command and a single information unit. The new executive committee is the successor to the former 27-man central committee.

The apparent unity still falls far short of a merger of the groups, whose political outlooks and methods of operation vary widely, "but it is the highest degree of solidarity achieved to date," an informed guerrilla The fedareen are based mainly

in Lebanon and Jordan, from where they carry out their mis-sions of harassment against Israel as part of their avowed goal of destroying the Zignist state and replacing it with a Palestinian

The steps toward apparent unity were one of the results of the 155-man Palestine National Council, or parliament, which SAIGON, July 18 (WP) .- Presi- any move to do so is sure to meet ended a session last week in Cairo. Commando sources reported that the fresh fighting in Jordan, which crupted while the council was in osssion, had prompted some of the organizations to eet aside their reservations about the degree of unity they were willing to establish with other fedaveen.

The Popular Front for the Liberation of Palestine, a Maoist guerrilla group, and the Iraqi-sponsored Arab Liberation Front are represented in the executive committee for the first time.

The Popular Front, under George Babash, bas insisted on carrying out operations ahroad such as the hijacking of international airliners, thus bringing it into conflict with the dominant guerrilla group, el-Fatah, which is headed by Mr. Arafat. Informed sources believe that

the Popular Front's actions will be more subdued now that it is part of the overall commando or-

Youssef Sayigh, a former professor of economics at the American University of Beirut, has been elected head of the Pales-

#### Wilson Hurls **EEC Blast**

(Continued from Page 1) 28. If Labor allows its members a free vote, as many as 50 may join the Conservatives in favor of

tactical gain for the pro-Europeans yesterday. It came whenence voted to debate the European issue without taking a final stand. Instead. Mr. Wilson and the party executive will make their

recommendation July 28. The official party position will finally be decided by the regular party conference which starts on Oct. 2. The October conference will undoubtedly oppose British entry by a large margin. But that will still be disappointing to the allout opponents, such as the leaders of Britain's two largest unions, Jack Jones of the Transport Workers and Hugh Scanlon of the Engineers.

They had hoped to get the party on record now against joining the Common Market and then, in October, go on to a resolution committing a future Labor government to withdraw from it. Mr. Jones and Mr. Scanlon ordinarily control enough votes at Labor conferences to win. Most observers had expected them to force through a definite "no" vote

They were blocked by what commentators called a "deal" by Mr. Wilson. He told some of the big unions' smaller allies that he would make a powerful attack ou the Common Market and persunded them not to press for a final vote yesterday. Mr. Wilson, though turning

against the market, is very much opposed to any commitment for a future Labor government to withdraw. That would deeply embar-rass him with continental Socialists, who are almost unanimously in favor of the market.

#### 34 Jews in Russia Now Face Jail on Travel Violations MOSCOW, July 18 (UPI).—A group of Georgian Jews arrested

for staging a public hunger strike last week may spend 15 days in jail for violating travel regula-tions, Jewish sources said. The sources said the 34 Georgians were loaded aboard a

guarded railway car Thursday and were taken, still refusing to eat, back to Tolliel, the capital of

"The police told them they had overstayed their travel permits and they will have to spend 15 days in jail for that," the sources said. They said the Jews had permission to stay in Moscow for only three days but they stayed longer.

tine National Fund, or the Liberation of Palestine and the treasury department of the Popular Democratic Front for fedayeen. He is not associated with any particular group.

Mr. Sayigh and Brig. Gen. Abdel Razzak Yanya, the commander of the Palestine Liberation Army, have been authorized to attend meetings of the executive committee. This in effect brings to 15 the number of committee members. El-Fetah has four members on the committee and Saiga, the Syrian-sponsored group, has two. The Popular Front for the

Popular Democratic Front for the Liberation of Palestine and the other extreme leftist had broken away from the Habash organization, each have one member on the committee, The Popular Struggle Front, a smaller group, also has one mem-

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The representative of Palestinian labor unions in the committee is known to be a close associate of Mr. Habath, which in effect gives his Popular Front

## Jordan Defeats Palestinians In Reported Massacre, Rout

said that these efforts ended

In contrast, guerrilia spokes-men claimed that Jordanian troops had launched a heavy offensive against the commandos in a drive to eliminate Palestinian posts. Newsmen visiting the town of

Jerash found it and nearby villages quiet There were a few explosions which military escorts attributed to the detonation of land mines planted by guerrillas. mines being blown up by royal Esppers. The Palestinians' version of the

commandos' flight to the West Bank said that Hussein's forces in north Jordan had "appealed to guerrillas by loudspeaker to give themselves up. When some guerrillas gathered, the authority forces opened fire on them with beavy machine guns. A big number was killed and others were wounded. But the authority forces finished them off." The commando spokesmen in

Beirut said that royal Jordan troops huried wounded guerrillas This action started a number

of guerrillas moving into the ocsupled territories, preferring to die by the Israelis than be slaughtered by their Arab brothers," the Palestinian office said-The Jordanian government said that Amman had told special envoys from Egypt and Saudi Arabia recently that guerrilla ranks included 300. Palestinians

the formerly Egyptian fields at

Abu Rudels, which is about two-

thirds of the way down the Sinai

In what appears to be a relat-

ed development, Deputy Finance Minister Zvi Dinstein announced

Thursday that Israel would double

The line can now handle 22 mil-

lion tons a year. New pumping and storage facilities will increase

IRA Gunmen

Blast Presses

(Continued from Page 1)

snatched a wounded IRA mem-

ber from under police guard in Belfast's Royal Victoria Hospital

The raiders blasted the Belfast

plant as it was about to start tho

press run of the Ireland edition

In London, Sunday Mirror edi-tor Michael Christiansen said newspapers for Northern Ireland

and the Irish Republic will be printed in Manchester and flown to Belfast and Dublin. The Sun-day Mirror will be or sale there as usual," he sald.

The strike of the newspaper

followed a series of weekend bombings and attacks on British troops in Belfast and elsewhera

in the strife-torn British prov-

damaged three Belfast pubs and

two supermarkets, An eight-man British Army patrol came under

fire near a custome post at Killee

on Northern Ireland's border with

Moon Robot Labors On

MOSCOW, July 13 (JPI:--

The Soviet Union's Lunckhod

moon robot resterday completed

its ninth lunar day and betterned

down for the intense cold of a

two-week lunar night, the news

agency Tasz said. The robot land-

ed on the moon eight months

ago riding piggyback on the

Lone 17 mothership.

the Irish Republic.

Early today five explosions

of the Sunday Mirror.

Fridey.

the capacity of the 42-inch Elath-Ashkelon pipeline by 1973.

suspected of spying for Brack. They were trained in a special Israeli school, Jordan said, adding that Syria and Lebanon had already discovered and executed a number of them.

The guerrilla office in Beirut said that Jordan's claim about Palestinians spying for Israel was "unworthy of comment or retort." The Israeli cabinet, in almost an all-day session, considered the guerrilla situation in a discussion led by Defense Minister Moshe Dayan and the armed forces, chief of staff, Lt. Gen. Haim

One of Israel's authorities on Arab affairs, Ehud Yaari, told Israel radio: "This is the end for the guerrillas. This has put an end, for all practical purposes, to the effectiveness of their military power in Jordan.". At least one group of Arabs was said to have crossed the Is-

Bar-Lev.

raeli-controlled frontier under a makeshift white flag. The Arabs were bound and blindfolded by Istroops, the Israeli sources said, then taken to Israeli police headquarters in the occupied Jordanian town of Nabhus. There, the blindfolde were removed and the men were fingerprinted and photographed the sources said, adding: "They didn't want to give their names for fear

Jordan." The sources said the youngest guerrille captured so far was 12 years old. Most of them were members of the Palestine Liberstion Front, the sources said.

of retaliation on families still in

## Israel Makes Big Oil Strike, May Nearly Double Output

By Stephen Klaidman

WASHINGTON, July 18 (WP). that capacity to 45 million tons. -Israel has made a major oil strike in the Gulf of Suez that It will ultimately be able to move eo million tons a yearmay come close to doubling its The completion of the pipeline production. It is certain to last year and the recent discovery in the gulf, which promises furthprovide substantial impetus to the

er strikes, has made Israel an war-burdened Israell economy. The economic benefits for Israel important factor in the world oil from the new strike are difficult to calculate precisely, but the oil The other major Middle Eastern will generate many millions of pipeline is the trans-Arabian dollars of sorely needed foreign pipeline, or Tapline, which runs exchange. Israel's reserves have from Saudi Arabia to Sidon, on toe Lebanese coast. It has an figure, which is considered the Annual capacity of 24 million tons, danger point.

and it was completely closed down The new well or wells are bringfor 270 days in 1970 in a dispute ing in 70,000 barrels a day, acbetween Saudi Arabia and Syria. cording to a highly reliable Israeli There are currently plans to build an Egyptian pipeline with a terminus at Alexandria, which source. Another source says the current output is 24,000 barrels a day. The strike was made in would be either 42 inches or 48 inches wide. At 48 inches it would be the largest line in the Israel, which produced almost no oil before the Six Day Wer of June, 1967, has been pumping world, but construction has not yet begun, and it is uncertain when it will. about 100,000 barrels a day out of

Israel's production before the new strike was sufficient in quantity to fill the tiny but highly industrialized nation's internal

But because crude oil varies in kind and quality, and because Israel wants to retain its sources of supply should it lose Sinai in a Middle East peace settlement, it continues to buy large quantities of petroleum.

Israel's major supplier is Iran.
The Iranian oil is brought by tanker to Elath, which is a deepwater port capable of handling the largest supertankers. It is offloaded and either piped to Ashkelon for transshipment, moved through a smaller pipe to Haifs for refining or transported by truck to a refinery.

#### WEATHER .

ALGARYZ 22 72 Very cloudy
AMSTERDAM 19 66 Very cloudy
ANSTERDAM 19 66 Very cloudy
ANEARA 25 82 Partly cloudy
BELEVIT 29 24 Partly cloudy
BELEVIT 29 25 Partly cloudy
BELEVIT 29 26 Partly cloudy
BELSSELR 15 46 Cloudy
CASABLANCA 25 75 Showers
CASABLANCA 25 77 Cloudy
CONTAINED 501 25 71 Cloudy
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FORMAGEN 15 59 Cloudy
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FRAMISTELT 25 61 Cloudy
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STANSELL 25 75 FATUR cloudy
LINBON 25 75 Cloudy
MILANS 26 79 Cloudy
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MONTERSL 25 77 BRIGHT
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NICE MONTREAL 13
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DUNICH 11
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#### lission Discussed Last Month

## "pace Linkup by U.S., Russia Now Being Seriously Weighed

By John Noble Wilford

last year aimed at developing

common rendezvous and docking

apparatus for Soviet and Amer-

ican manned spacecraft. Until

the meeting last month, however,

been discussed.

specific joint missions had

The first Salyut space station

was launched last April and is still orbiting the earth. It was

occupied for nearly 23 days last

month by the three Soyuz-11 astronauts, who died during their

return to the earth when their

Soyuz cabin accidentally depres-

they will continue their space sta-

tion development despite the ac-

Mr. Myers of NASA emphasized

The last planned and financed

American manned space mission

will end in early 1974, when the

last of three Skylab space sta-

tion crews are scheduled to return

to the earth. Apollo moonlanding

flights are expected to end in late

This leaves a gap of four or five years between the end of

manued flights in the proposed airplane-like space shuttle. The space agency has no suthorized

funds to support a project to fill

Concern Over Pause

At a Cape Kennedy news con-

ference Dr. James C. Fletcher,

the NASA administrator, recently

said that he was "concerned"

about the possibility of a long

"I haven't come up with any solution to this." Dr. Fletcher

said, "but we're working that

craft and rockets left over from

the moon program. There are

for Skylab. Studies by the Manned

Spacecraft Center- indicate that

they could be flown in earth-

crews remaining in earth orbit

for 16 to 30 days. The vehicles would be outsitted with photo-

graphic and remote-sensing in-

stroments for mapping and sur-

veying the carth's resources. One of the spacecraft could be

couloped to link up with a Soviet

An interim program is especial-

ly appealing to space agency planners because it would enable

them to hold together skilled

teams after the end of Skylab.

launching and flight-control

Another Possibility

Another possibility, Mr. Myers-

said, is to launch a second Skylah

using backup equipment from the 1973 mission. Skylab is a large cylindrical workshop to which as-

fronauts will be ferried in regular

Apollo command modules. The

current plan is for astronauts to

occupy Skylab up to 56 days at

to live and work for long periods

None of the interim planning involves additional flights to the

moon, space agency officials said. Mr. Myers said that a decision on

an interim project would probably

be made by the end of the year. Much depends on how NASA

decides to proceed with the de-

velopment of the re-usable space shuttle, which has the agency's

If NASA decides to develop both the booster and orbiter stages of

the shuttle annitaneously, Mr. Myers said, there will probably be no money available for interim

manned flights. But if the space agency decides on a "phased approach"—developing the orbiter

first and then the booster-it

might be possible to finance an interim project, but not if it

drains" funds from the shuttle,

The phased approach is said to be gaining favor among NASA officials because it would spread

The idea of the shuttle is to reduce significantly the cost of

carrying satellites and men to

and from orbit by repeatedly

using the vehicles like an air-

U.S. Newsmen's Union

BOSTON, July 18 (AP) .- The

American Newspaper Guild con-

vention here has called for the

dismissal or resignation" of At-

torney General John N. Mitchell.

manimously a resolution accusing

Mr. Mitchell of an "attack on

the constitutional guarantees of

free press and free speech" which "includes the incredible actions of

the government in attempting to

muzzle newspapers in the Pen-

tagon Papers case,"

The 220 delegates approved

Wants Mitchell Out

out the costs of the project.

highest priority for the future.

in space.

he said.

time as a test of man's ability

hiatus in manned space flight.

unittee has requested a study

the gap but a House space sub-

of possible interim flights.

and the beginning of

that an Apollo-Salyut mission was only one of several possible flights being considered as a fol-

low-up to present projects.

Soviet officials have said that

COMPANY CAPE KENNEDY, Fig., July 18 port two astronauts and their Phyyr).—The United States is seri-equipment on the moon. Sly considering a plan to launch of p<sub>th</sub> manned Apollo spacecraft info courth orbit to link up with a courte Salyut space station.

the such a mission was discussed in month at a meeting of Amern and Soviet space engineers the Manned Spacetraft Center Houston. Although the meetung: received little public notice, now being described by Amer-n space officials as "very

A linkup between American and viet spaceships would mark the est significant cooperation in beaned space flight between the to rival space powers.

Moon Flight July 25

as the disclosures about pos-in bute United States-Soviet space claim apperation were being made, I Israe nerica's Apollo-15 estronaute of or there making final preparations. ry leduled for July 26. The counta disc wn will begin next Tuesday lister korning.

withe 12-day Apollo-15 mission hist be launched within a three-ur period starting at 9:34 a.m. thorns ly 26; otherwise, the flight will Yash tye to be postponed for 24 hours the est until Aug. 24, the next dates. has be a favorable path from the purposerth to the moon's Hadly Rille

Apollo-15 will be the longest of most heavily scientific of ssed in a Apollo series, featuring three oon walks and the use of a four-The beeled lunar vehicle to trans-

#### Men Arrested ds van Airliner Bomb The extortions in U.S.

mes in a NEW YORK; July 18 (AP) tempted to receive payoffs they he round demanded in separate threats far to New York and San Francisco then to bomb sirliners, the FBI said stine is esterday. No bomb was found res sit m either plane.

John Berry, 40, was arrested n New York City's Fast Village rection as he received a \$50,000 ayoff he had demanded in a threat to bomb an Irish airintend to bomb an Irish airlines jet carrying 339 persons, the Under consideration, Mr. Myers
Federal Bureau of Investigation said, are proposals to use space-

Mr. Berry was arrested after making calls to the New York four available Apollo spacecraft,

and three from canceled moon miscarly Saturday, according to the sions and one that is the backup BI. The bureau said Mr. Berry pipelicold the News that an Aer Lingus diswelight bound for Shannon would uses little bombed unless \$50,000 was orbiting missions for from \$75-Israel gelivered to him in the East million to \$150-million a flight. will village by one of the newspaper's The plan would be to launch

ile Execcepted the payoff; the FBI said. is-And he plane landed at Boston and hich was searched. Siden : In San Francisco on Friday, the It has rBI said; agents arrested Warren illion to. Cooksey 46, who allegedly losed to 22 threatened to bomb a United

g dispoir Lines DC-8 bound for Hilo, and Spiacafi, unles he was paid "several plans A package was dropped in a cline licsignated parking lot from a ris, which control and as Mr. Cooksey the grand to retrieve it, the chopper inches lescended and FBI agents leaped ine in tiff and arrested him, the bureau a has "aid. The United flight, carrying uncerta persons, furned back while en

oute to Hawaii. Rogers's Deputy Lands in London

d besse LONDON, July 18 (Renters)... its sout John N. Irwin, United States un-g Shall for secretary of state, arrived at ethems Heathrow, Airport today to ade quiddress a conference of the American Bar Association --

is in Mr. Irwin, who is also expected ought to meet Prime Minister Edward is a defleath during his three-day visit, nandas substituting for Secretary of R Stete William Rogers, who canpiped trelled his visit to remain in ent of Washington for developments not sollowing the announcement of resident Nixon's proposed visit

#### Coney Island Will Sue Navy Over Oil Spill

NEW YORK, July 18 (UPI). The Coney Island Chamber of of the lamage suft against the Navy for

a \$1-milite

a \$1to stay out of the water at Coney. one to stay out of the water at one ristand and Brighton Beach.

## U.S. Sets Up Ocean Office

WASHINGTON, July 18 (AP).
The U.S. Defense Department friday announced the establishment of an Office of Ocean ment of an Office of Ocean Affairs and named Under Secretary of the Navy John W. Warner to be its first director.





EPIDEMIC VICTIMS. A workman on a ranch in Texas gets ready for the grim job of removing the carcasses of two horses killed by the raging equine encephalomyelitis.

#### U.S. to Siphon Farm Funds Into Fight on Horse Epidemic

By Martin Waldron

HOUSTON, July 18 (NYT).- Air Force enlisted man. There U.S. Secretary of Agriculture Chif- are many strains of encephalitia. ford M. Hardin said late Friday that the outbreak of Venezuelan equine encephalomyelitis in Texas has become an agriculture amergency. He promised massive federal aid to try to halt the disease, which is rapidly spreading through Texas toward other states.

The sleeping sickness, which moved into Texas from Mexico earlier this month, killed 800 horses in Texas last week, and 1,000 were dying.

State and federal officials were how many horses had caught the disease, which affects the animals' brains, eausing them to die from nervous exhaustion.

The disease also affects humans, but not nearly as severely. The U.S. Public Health Service has said that in humans the disease resembles influenza.

About 100 persons in Texas are believed to have caught the disease from horses in the last week. One young girl died in a hospital at Lackland Air Force Base at Sen Antonio two days ago from what doctors diagnosed as en-cephalitis. But Dr. Marthalyn Green, the director of communicable disease control for San Antonio, said that the attending physicians had doubted that the young giri had Venezuelan equine encephalomyelitis.

Dr. Green said it would take up to five more days to run the tests needed to find out what virus had infected the 6-year-old girl, who was the daughter of an

#### Mills Says Nixon Errs in Refusing To Spur Economy

OGDEN, Utah, July 18 (UPI).— Rep. Wilbur D. Mills, D., Ark., accusing President Nixon of making a "serious and costly mistake" in refusing to change his economic policies, has called for tax cuts and reduced federal spending to lift the nation from a "re-

The influential chairman of the House Ways and Means Corbmittee outlined a program for stimulating the economy Friday night at an appreciation dinner for Rep. K. Gunn McKay, D., Utah. It was his first full-scale attack on the administration's

economic policy. Unless the economy improves, Rep. Mills warned, the unemployment rate could climb as high as 8 percent by next year. At the end of June, it was 5.8 percent. Rep. Mills said that inflation could reach 6.5 to 7 percent by the end of the year.

Rep. Mills charged that the White House's economic plan "is not working." He said the ad-ministration has managed to impale this nation on the horns of distressing and dangerous dilemma—serious inflation ac-companied by high unemploy-

The declaration of an emergency by Secretary Hardin will enable the Department of Agriculture, to use money from other agricultural programs to fight the horse dis-The department said it would help finance the cost of inoculating animals against the disease and would help in controlling mosquitoes, which spread it.

2,584 Sick in Mexico MEXICO CITY, July 18 (AP) .-An encephalitis epidemic at the

U.S.-Mexico border has left 9,000 horses dead and 2,584 persons sick, Mexican officials said Friday. . Health and livestock anthorities said that the official figures. for the 15-day period from June 26 to July 13, were from two Mexican states-San Luis Potosi and Ta-



Secretary of Agriculture, at his news conference.

## Agnew Marks Anniversary Of Start of Spain's Civil War

Symbolizing the increasingly warm friendship between the United States and Spain, Vice-President Spiro T. Agnew today became the highest-ranking American to celebrate the 1936 uprising which brought Generalissimo Francisco Franco to power. Mr. Agnew drove into the

Spanish countryside to La Granja, a former royal palace, where Gen. Franco was host to the annual national-holiday garden party. Although Mr. Agnew's sides attempted to play down the significance of the Vice-President's part in the celebrations, it was understood that he carefully tai-

lored his travel plans to be here. Victor Gold, Mr. Agnew's press secretary, at first insisted that Mr. Agnew arrived in Madrid over, the weekend because the Spanish government would depart. en masse, for the resort city of San Sebastian early in the week. Later, in a briefing for news-men, Mr. Gold modified his state-ment and said, "We are here on National Day. We wanted to be here on National Day."

#### Proof of Friendship

Spain's state-controlled national radio network, in a comment on National Day, cited Mr. Agnew's presence as proof of the respect and friendship Spain enjoys abroad and especially in the United States, even though its politi-cal system differs from those of other Western countries.

Mr. Agnew's visit was the latest indication of the increasingly strong U.S. ties with Spain, gennerally considered America's most reliable partner in the Mediterranean.

President Nixon paid a state visit to Spain last October, and all but two members of the Nixon cabinet have been here since. In addition, Adm. Thomas Moorer, chairman of the Joint Chiefs of Staff, was the first

## Agnew Praises African Heads But Chides Some U.S. Blacks

By Robert B. Semple Jr.

MADRID, July 18 (NYT),-Vice-President Agnew delivered yesterday a broad indictment of unidentified black leaders in America, calling them "querulous" and saying they had much to learn from the African officials he had met on his worldwide tour.

During a news conference aboard the plane carrying him from Kinshasa to Madrid, Mr. Agnew described the three African leaders he saw last week-Ethiopia's Haile Selassie, Kenya's Jomo Kenyatta and the Congo's Joseph Mobutu, all leaders of authoritarian regimes as "dedicated, enlightened, dynamic and extremely apt for the task that

"They have impressed me," he went on, "with their understanding of their internal problems, their moderateness," and what Mr. Agnew described as their ability to solve problems.

"The quality of this leadership," "is in distinct contrast with many of those in the United States who have arrogated unto themselves the position of black leaders, those who spend their time in querulous complaint and constant recrimination against the rest of society." In response to a question, Mr.

Agnew said he did not "have to identify the leaders that I mean." He added that anyone who had been reading the newspapers could see that those who "have been complaining and carping" comprise "a very substantial cross section of what describes itself as the black leadership." The Vice-President declared in

effect that black leaders in America did not accurately reflect the sentiments of ordinary Negro

"I happen to believe," he said. "that there are many, many black people in the United States who are tired of this constant complaining, and who would like to see some constructive action from these people."

reviewed Spanish troops on Victory Day, marking his triumph over the Republicans in 1939. Mr. Agnew and Gen. Franco

conferred for more than an hour last night in El Pardo, the presidential residence seven miles outside Madrid. The talks were described as very cordial and a "Irank and forthright exchange of views." The two leaders discussed Unit-

ed States-Spanish cultural, economic and military relations, the Vice-President's assessment of his visit to the Middle East, Korea and Africa, the status of the Middle East situation and the impact of the release of the Pentagon Papers on diplomatic rela-

After meeting with Gen. Franco, Mr. Agnew and his wife, Judy, who met him in Madrid, attended a small formal dinner given by Prince Juan Carlos, the designated successor to Gen. Franco. Before leaving for La Granja,

Mr. Agnew took advantage of Madrid's perfect weather to golf at the exclusive Cass de Campo course with his private physician, Navy Capt. William Voss, and an old friend, Harry Dundore, of

#### Ex-Gov. Barron Of W.Va. Given 12 Years for Bribery

CHARLESTON, W. Va., July 18 (UPT).—Former Gov. William Wallace Barron was sentenced Friday to 12 years in prison and fined \$50,000 for bribing a federal

U.S. District Judge John A. Field jr. imposed a five-year term on one count and a 12-year term on a second count. The terms run concurrently, which means Barron faces up to 12 years in prison. He would be eligible for parole in four

Barron, 59, a Democrat who was governor from 1950 to 1954, had pleaded guilty in March to charges of bribing the foreman of a federal jury which in 1968 acquitted him on charges of accepting kickbacks in state con-

Raiph Buckslew, the juror, who pleaded guilty to accepting the \$25,000 bribe from Barron, was also sentenced to a 12-year prison

#### Italian Wolves Spared ROME, July 18 (UPI).-Agri-

culture Minister Lorenzo Natali has announced a total ban on hunting wolves until Dec. 31, 1973. He said the animal was in danger of extinction in Italy. In another decree, Mr. Natali removed the increasingly rare otter, wildcat, eagle, falcon and royal owl from the official list of dangerous or harmful animals



Rail Walkout Goes On

## U.S. Mail Strike Threatened, But Talks Show 'Progress'

troubleshooter reported "considerable progress" today in contract talks for the nation's 750,000 postal workers. He was less optimistic about negotiations to end a three-day strike against two major railroads.

Assistant Labor Secretary W. Usery jr. shuttled between both negotiating sessions in advance of the midnight deadline for automatically submitting the postal contract dispute to binding

There is some hope that a postal agreement can be arrived at before the deadline," Mr. Usery said at the Labor Departmen Building, where he went to mediate the rail negotiations after meeting with the postal bar-gainers a mile and half away at hotel. "Considerable progress has been made," he said.

#### Threat in New York

The postal workers are ferbidden by law to strike, but the Manhattan-Bronx postal union in New York has said its mem bers may walk out anyway if the negotiations fail to produce an agreement. There were major postal employee strikes arcund the nation last year despite a federal no-strike law.

Mr. Usery also said he was very hopeful we can scon find a reasonable solution" to the strike by the United Transportation Union against the Southern and the Union Pacific Railroads, but he did not report any progress in the rail negotiations.

An extimated 9,000 UTU members were ou strike against the Southern and the Union Pacific in a walkout which began Friday and idled another 40,000 rail workers who observed UTU picket

The 20-month-old contract dispute centered over managamentproposed work-rule changes the carriers contend are needed to eliminate outmoded, expensivs end inefficient work practices.

#### Toronto Airport Strike

TORONTO, July 18 (Reuters). -Half of Air Canada's flights through Toronto International Airport were canceled yesterday during the first hours of a oneday strike by ground staff and

#### 6 Negro GIs Charged In South Korea Riot

SEOUL, July 18 (AP).-Six American soldiers have been cherged with "willful destruction of properties" in connection with riot July 9 -involving black soldiers and South Koreans near Camp Humphreys, south of Seoul, a camp spokesman said today. He said the charges resulted U.S. military and Korean anthorities into the incident at Anjong-Ni, a village near Pyong Tack, miles south of Seoul, in which an estimated 80 soldiers caused extensive damage to four Koreanowned hars and attacked villagers protest alleged discrimination

WASHINGTON, July 18 (UPI). domestic flights were affected. amid scenes of passenger confusion as more than 150 members

> the morning. They are demanding better wages and working conditions. They were expected to return to work today.

of the International Association

of Machinists and Aerospace

Workers walked off their jobs in

Air Canada said it was trying to keep all long-haul flights

#### Get Company To Install Phone DULUTH, Minn., July 18

**Phone Strikers** 

(AP). - Berway Swanstrom, president of Local 7214 of the Communications Workers of America, set up strike headquarters in the Duluth Labor Center Wednesday for 400 members who walked out

He found, however, that there was no telephone in the assigned room. So Mr. Swanstrom called the telephone company, which sent cut a supervisor to install a phone.

## U.S. Refugee Airlift in India Ends at New Delhi's Request

NEW DELHI, July 18 (Reuters).-The American airlift of East Pakistani refugees away from the border areas of India ended today at the request of the Indian government, a United States Embassy spokesman said. Four American C-130 aircraft moved about 23,000 people from

the remote eastern territory of Tripura to Assam in the past four [United Nations sources in Calcutta feel the airlift should continue, AP reported. They said

the American government was willing to extend and even expand the airlift, but that the Indian government brought the mission to an end for unknown [A similar Russian airlift. which has ferried refugees from

Calcutta to central Madhya Pradesh State, is also likely to end soon, authoritative sources said. They edded that Indian government officials in border areas had urged continuation of the American airlift but that the decision was taken in New Delhi.] The U.S. Embassy spokesman

said the Indian government had asked for the eirlift for a period of a month and had not sought any extension. The reason given was that bad weather which led to 44 flights being canceled would become even worse and make flying very difficult. A Million Befugees

Indian Air Force would shortly begin flying in food to Tripura, where supplies are very short, More than a million refugees have crossed into Tripura, which has a normal population of about A recent United Nations Chil-

#### Circulatory Ills Still Top Killer (53%)

NEW YORK, July 18 (AP).-Cardiovascular diseases remain the No. 1 killer in the United of all deaths, the National Health Education Committee reported.

The study said cancer was the second most deadly disease. accounting for 17 percent of all deeths: accidents were next with 8 percent and pneumonia and influenza ranked fourth with 4 percent. Homicide ranked 1)th.

would have to be sent to Tripura to stave off the threat of starvation.

The C-130s took about 1,750 tons of rice to Tripura as well as bringing out refugees.

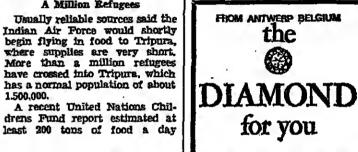
The cost of \$850,000 for the airlift came out of the American allocation of relief for the refugees and this factor might have weighed with the government, the observers said.

In Parliament last week, the foreign minister, Swaran Singh, turned down a member's demand that India refuse all further American aid for refugees until the United States stopped arms

supplies to Pakistan.
Observers speculated that Indian resentment about arms to Pakistan might have played a part in calling off the airlift. The U.S. spokesman said the last of the C-130s left Assam

Pakistan Ship Leaves U.S. BALTIMORE, July 18 (AP) .-A Pakistan freighter, embroiled in controversy over arms shipments, sailed for an uncertain destination last night after two longshoremen said they had seen cannon aboard the ship.

Two longshoremen who helped foad the Padma yesterday said they spotted at least two cannon in the vessel's holds.



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Page 4-Monday, July 19, 1971 \*

## Telescoping History

President Nixon's intended visit to mainland China has been halled-with justiceas spanning a gap of two decades, nations numbering hundreds of millions, separated by half a world and by wide divisions of culture and ideology. It is, indeed, a his-

Yet perhaps one can find a somewhat different perspective on the matter in the appearance of a stone-age tribe from southern Mindanao, in the Philippines, on television. Here a gap was bridged over many centuries, possibly many millennia; here is a people-scant in numbers, to be sure, but still a people, past whom countless years have flowed, a vast technology developed, and many, many historic events exploded. while they remained isolated in their dark

For anthropologists, this gentle folk constitute an unimagined treasure, a human Pompell. How were they cut off from the main stem of the peoples whose language they speak? What light can their existence, their traditions, cast upon the mysteries of that great migration across the Pacific from. Asia? Is their present way of life a simplification of some older, more elaborate, culture? Are there other bands like theirs. . still aloof in the Tasaday Forest?

For the rest of the world, the Tasaday-all 24 of them—are a reproach and a challenge. The tribe has no enemies—except snakes. They have no leader; common projects are discussed in a jungle variant of town meeting; they display no aggressiveness; no sense of "territory." They are the simple savages of Rousseau, the romanticists—and the anarchists. And, at the same time, they are threatened by the advance of "civilization"; they have been made acquainted with steel, and sharp steel can cut many

Many wars raged around the unsuspecting Tasaday. They did not know the galleons of Spain, or piratical proas. The greatest naval battle in history did not stir a leaf of their sheltering forest, and if far-flying planes from the Pacific war flew overhead, they do not seem to have been aware. But now other people in Mindanao are coming closer, entting clearings in the rain forest, upsetting that balance that sustained the Tasaday. The "fatal impact" of a newer world, that weakened or destroyed so many Pacific cultures, has caught up with these true children of nature.

Few will rank the advent of newspapermen, television cameras and government officials among the two dozen Tasaday as the equivalent in history with Dr. Kissinger's conversations with Chon En-lai. We have telescoped history; when "now" is juxtaposed with "then," two decades seems an epoch, and it is hard to equate the discovery of 24 Tasaday with the re-discovery of more than 600 million Chinese, or the gift of bolo knives to primitives with negotiations that temper the threat of worldwide nuclear destruction.

Yet a proper concern for the welfare of the Tasaday, and for the values to them. and in terms of enlightenment for othersof their lean, stripped culture, is the same kind of concern that should underlie discussions between Mr. Nixon and the leaders in Peking. In the threatened microcosm of the Tasaday rain forest one can see the endangered macrocosm of mankind.

## Outward to Peking

to the moon he could not have flabbergasted his world audience more than by announcing that Henry Kissinger stole into Peking recently and arranged for the President himself to visit the People's Republic of China sometime before next May. It is very nearly mind-blowing: China, so long considered the least accessible place, personally and politically, to Americans, has become accessible not just to American ping pong players but to an American President. No President of the United States has visited the People's Republic, and none, what is more, has ever announced an intention to visit a country with which the United States has no diplomatic relations.

And Mr. Nixon, after all, is not just any President: He is, by his past record, the most ardent anti-Communist of them all, a man who built a large part of his political career on accusing other Americans of "losing" China. Now he has undertaken personally to "recover" it in a mission which, even in anticipation, marks an historic effort to turn from confrontation with the last Communist state outside the international establishment, to negotiaion; from containment of China, to conciliation; from the concept of world affairs as the preserve of certain chosen states, to the concept that world affairs are the prerogative and responsibility of all countries in the world. This is the transformation presaged by

the Nixon-Chou meeting. It obviously will not mark the end of conflicts between states hut it may be the end of the cold war in the sense that state conflicts are henceforth to be regarded as natural and manageable, not as ideological and irreconcilable. It is a momentous development and we commend Mr. Nixon for the American contribution to it.

That Mr. Nixon saw fit to arrange and announce this "journey of peace"-and smack in the middle of 'Free China Week' sponsored by the anti-Peking Committee of One Million—is perhaps the best evidence that the American public as a whole is ready to regard China as a prospective world colleague, not just as a menace. Many Americans have been ready for a long time, of course: Mr. Nixon's gesture should calm. or at least muffle, most of those who are not. His own record on China should protect him against domestic attack on his right flank. No Democrat or certified "liberal," it seems safe to say, could have moved as fast. This is important for Mr. Nixon's own political fortunes—as surely as November follows May-and for the unity of the country.

The most immediate foreign-policy impact is to be sought in Vietnam. Just as Mr. Nixon's acceptance of a "journey for peace" to Peking signifles an intent to assure China that American involvement in Vietnam is fading, so Premier Chon En-lai's hospitality signifies China's acceptance of such an assurance. It is inconceivable that Mr.

If Mr. Nixon had revealed he was going Nixon could make a trip under any other circumstances. Moreover, this is not the only recent sign from Peking. On July 4, China for the first time endorsed a specific Vietnamese settlement proposal, the Seven Points, instead of simply urging Hanoi and the Viet Cong to continue fighting a "protracted people's war." And earlier last week it indicated to a visiting Australian politician a willingness to attend a revived Geneva conference on Indochina.

While the United States was building its huge involvement in Vietnam in the 1960s and justifying it in part as a check on Chineae "aggression," Peking could hardly avoid regarding the United States with the utmost seriousness and alarm. But now China's intent seems to be to assure itself a role in an Indochina settlement, and in the postwar Asian scene. This does not mean—though doubtless Hanoi, traditionally leery of Peking, will wonder-that Peking plans to sell Vietnam out for the sake of Sino-American harmony. But it probably does mean that China is prepared to work out, with the United States and others, the shape of Asia to come. \* \* \*

In his statement Thursday evening, Mr. Nixon wrapped opening and closing remarks around the text of an announcement which was issued simultaneously in Peking-the first joint Sino-American announcement, by the way. It reported on the invitation to Mr. Nixon and then said: "The meeting between the leaders of China and the United States is to seek the normalization of relations between the two countries and also to exchange views on questions of concern to the two sides." There is only one basis on which Peking would seek normalization of relations—everybody knows this—and that is if Washington recognized its claim of sovereignty over Taiwan.

Such recognition would not mean abandonment of the American treaty commitment to defend the Nationalist government on Taiwan against "armed attack": hence Mr. Nixon's assurance that "our action in seeking a new relationship with the People's Republic of China will not be at the expense of our old friends." But it could mean an American decision to accept the idea of one China, with Peking as its capital. Despite popular belief to the contrary, this is all Peking asks of the United States. It has not demanded that the security treaty be renounced or that the United States physically hand over Taiwan. It has said that the modalities of "liberating" Taiwan could be

arranged among the Chinese themselves. It is conceivable then, that in Peking and in the United Nations' China-admission debate which will take place before his trip, Mr. Nixon may finally be swinging the United States into a posture that will allow it to fulfill its defense obligation to Taiwan and at the same time to open up a "normal" political association with Peking.

THE WASHINGTON POST.

#### In the International Edition

#### Seventy-Five Years Ago

July 19, 1896

NEW YORK-Mr. Cornelius Vanderbilt's physicians report an improvement in the condition of their patient. Cool weather favors his recovery. He has regained consciousness and has talked to his wife. This good news lessens the gloom of Newport. The physician's bulletin issued this morning states that Mr. Vanderblit is doing well and has been removed to a room overlooking the park, as it is though: he will get more rest there.

#### Fifty Years Ago

July 19, 1921

PARIS-During the year 1920, there were 60.375 street accidents in the city of Paris, resulting in 120 deaths, and 14,819 more or less serious injuries to persons. During the year, there were 142 train accidents accounting for 122 deaths and 1.184 injuries. Of the street accidents 45,456 of them resulted in purely material damage. Motor vehicles other than omnibuses, street cars and motor cycles accounted for 35,484 of the accidents.



## An Enormous Stride to China

By C. L. Sulzberger

ROME—Announcement of President Nixon's eventual Chinese visit dramatically underlines the extent to which the United States is now re-examining Far Eastern policy. The current re-appraisal began this summer with signature of an accord returning Okinawa to Japan, the steady decline in tensions between Washington and Peking, and a series of visits to the Orient by leading American officials, including Secretary Laird, Vice-President Agney and Mr. Kis-

singer.
The Kissinger trip produced an impression that the greatest immediate danger to peace lies in steadily worsening India-Paki-stan relations and the possibility tint war might explode between these South Asian neighbors, respectively supported by Russia and China. This could desiroy Washington's effort to create a new international equilibrium improving relations with Moscow

The ultimate implication of changes now under way is a new relationship between the U.S.A. and China on the one hand, and with Japan on the other, a relationship that would have to be balanced by closer ties between China and Japan as well. To accomplish this kind of power triangle it is evident that Washington is pressing Tokyo to assume a far larger burden of its own and regional defense than it has so far been willing to carry.

#### Obvious Block

The obvious block remaining along the road to any such rearrangement is Taiwan, where Chiang Kai-shek still rules "the Republic of China." Peking's Premier, Chou En-lai, told news-papermen last mouth that the U.S. security screen around Talwan represented a key obstacle to diplomatic ties with Washington. Clearly, discussions of how while developing fresh contacts must precede Mr. Nixon's China

## Bucharest vs. Moscow

By Rowland Evans and Robert Novak

BUCHAREST.-Romania's dip- the integration of the socialist lomatic offensive among enemies of the Soviet Union, particularly Communist China and the United States, is partly rooted in its desire for allies far from the Soviet Union, but probably more important is its search for commercial partners to reduce

dependence on Moscow.

That explains the passionate debate now going on inside the Communist parties of all the Eastern European states on the Soviet party's definition of the explosively controversial word "inte-

In discussing plans for the meeting scheduled here later this month of Comecon, the Moscowdominated economic planning or-ganization designed to integrate the Soviet and Eastern European economies, top Romanian trade officials and middle-level party leaders turned on like neon lights when asked about Moscow's hard sell for economic "integration." "Integration," exclaimed one leading trade official of the gorernment, "that is an explosive

The reason it is so explosive that, as defined by Moscow, it threatens Romania's growing economic independence of the Moscow-East European bloc, which is now on a slow but steadily increasing rate. The suspicion here is that the Soviet Union will use the Comecon session to try to nail Romania much more tightly into long-range trading relationships with itself and Eastern Europe, thus halting the trend toward commercial deals with the West and Communist China.

#### Battleground

In short, what may be brewing in the late July Comecon session is an all-out Soviet effort to punish Romania for its sins of independence, forcing the other members of Comecon to back Moscow's demands for "integration" and using the economic issue to isolate Ceausescu. The ground for a bloody battle has been care-

fully prepared by both sides.

Thus, in April, Soviet party leader Leonid Breakney Warned the party congress (with Ceausescu a reluctant listener) of the "necessity to the in our economic plans more closely"—that is, to nomic integration to force positionate along the road leading to litical orthodoxy.

countries The doctrinal line laid down by

Ceausescu, diametrically opposed to Breahney's idea about integration, claims "the inalienable right of each Communist party to work out independently its own revolutionary tactics and strategy, its own programs and political line." When Ceausescu authorized that statement in Lupta de Clasa, the

Romanian party's theoretical organ, he meant it, Thus, Romania refused for months to join a new Comecon instrument called the Investment Bank. It held out for a new clause requiring unanimous agreement on all "important questions," a protection against being overwhelmed by Moscow. Only when the charter was amended did Romania sign.

#### Semantics

To Romania, "integration" means restriction. While Moscow demands tight control of its satellites through the device of "integration," Romania is making joint-venture deals with the West (it is about to open commercial offices in San Francisco and Chicago) and late last year negotiated a line of credit with China worth almost \$300 million. It is seeking substitutes for Soviet-bloc raw material imports in such unlikely places as Algeria (fron ore) and India (coal). Bucharest overflows with commercial agents from abroad, led by hordes of smiling Chinese.

The China deal alone led one Western expert here to predict to us that Romania is close to achieving economic independence from Moscow, but that forecast overlooks one cardinal fact: the at Constanza to handle anything like the volume of deep-water imports that would be required for

real economic independence.

Accordingly, even though one trade official here fold us that "our economy is now insulated against disaster" (the result of a possible raw materials squeeze from Moscow), the real test of that insulation lies ahead. It will come late this month when Moscow tries to button Romania more tightly into its own economic

It is against this background of a trend toward dynamic changes in the Far East, changes that may be gradual but that will be of profound significance, that one must read a forthcoming book entitled "Re-Making China Policy: U.S.-China Relations and Governmental Decisionmaking." The work, to be published next

month, is by Richard Moorsteen and Morton Abramowitz a Rand Corporation consultant and a U.S. Foreign Service officer. Britain's Institute for Strategic Studies has just published in its magazine, Survival, an excerpt eotitled "One China; but Not Now-a Proposal." Now-a Proposal."

The essence of the argument presented is that the Taiwan issue cannot be settled swiftly and its ultimate solution must be based on accord among Peking, Washington and Tokyo-plus, of course, respect for the ultimate desires of the Talwanese popu-

Taking into account a continuing rise in the prestige and power of post-war Japan, the authors "Most Japanese would be very uneasy over an accommodation that threatened to turn Taiwan over to the mainland at any early date. Japanese feelings derive mainly from a large and growing economic stake and from emotional ties from their occupation of Talwan"

#### A Forecast

They forecast that, "as time passes, the problem of Taiwan will become less one to be dealt with between the United States and China alone and more a tri-angular problem with declining freedom of action for all parties. This forecast is given additional weight by American withdrawal from Okinawa and encouragement for increased Japanese defense responsibilities.

Moorsteen and Abramowltz insist that "it is not in Peking's power to get what it wants now. Today's policies, therefore, must focus on increasing tomorrow's prospects . . . "Realistically, very small steps

now are as much as Peking can expect. The United States can try a few small steps in this direction without committing itself to any final outcome. In this way. Peking's reactions could be tested . . . our answer could only be that future movement hinged on Peking's future conduct-both with respect to our other interests and in making reunification more acceptable to the people on Talwan...

"A more flexible leadership in Peking could adopt a policy of 'small steps' toward reconciliation, in the pattern now used by West Germany toward East Germany. If the United States land Japani gave both positive encouragement and reassurances, a future regime on Taiwan might ultimately find both the confidence and motivation to respond -cautiously, selectively and guardedly, to be sure."

The two American experts recognize that a time of great change has started in the Far East. They want to remove the roadblock hampering development of U.S.-Chinese relationships but they want to do this without either jeopardizing the desires of the Taiwanese or creating new points of friction between a resurgent China and a resurgent Japan. The Nixon journey certainly should provide a real chance to arrange possible formulas for schieving this. It will be not a "very small step" but an enormous one.

## A Silver Cloud, A Black Lining

By Joseph Alsop

Nixon's immense forward step with the Chinese Communists can only be called a bright silver cloud with a very black lining. Fortunately, the black lining does not concern the U.S., at least immediately. The President has been both shrewd and wise.

But the black cloud is there. nonetheless, in the form of deep fear in Peking. What has happened is clear proof, in fact, that Chinese Communist leaders like Chou En-lai are now deeply. viscerally alarmed by the ever-mounting Soviet military buildup on China's northern frontier.

Failure to foresee this Soviet build-up's impact on Peking has in turn made perfect fools of a lot of people. Dr. John K. Fair-bank and his ilk, for example, have recently been leading an unceasing chorus. They have been intoning that the U.S. really had to flush Formosa down the drain in order to have good relations with the Chinese mainland.

#### A Chorus

The more left-wing Senate Democrats, always eager to sacrifice any American ally, have also punctuated the Fairbankian chorus with many a fervent "Halleinfha!" Until a year or so ago, moreover, relations with the Chinese Communists really did seem to be impossible, while the with the Chinese Nationalists.

Yet the President was able to say, last Thursday night; "Our action in seeking a new relationship with the People's Republic of China will not be at the expense of our old friends!" No one at all had foreseen this kind of early result.

It was suggested in this space, for example, that the Chinese might make their move in 1972. But all supposed the Chinese would wait for another half year, at a minimum, to see whether the President would give way to the Fairbankian chorus. Instead-if the President was telling the truth about "our old friends"the Chinese have given way now, without delay or haggling!

It is precisely this that makes the lining of the silver cloud so. very black. It means that the Chinese Communist leaders think it urgent, even desperately urgent, to take out every possible insurance policy against a Soviet attack. For the Chinese Communists, relations with the

WASHINGTON -- President U.S. are primarily such an insurance policy.

There have been other signs of this Chinese sense of urgency. They have already begun deploy. ing a small number of their earliest model nuclear missiles, To do so, they have quite liberally tunneled through mountains. This is a Chinese attempt probably a vain attempt to make their first missiles invulnerable to a Soviet nuclear strike.

#### Sensible Fear

It has to be faced, in fact, that what the Chinese fear is a preventive nuclear strike by the Soviets, to destroy the Chinese nuclear capability before it gross too great. That is a hard masse for soft-headed Americans to chew on. Yet it must also be faced that the Chinese fear is thoroughly sensible.

By the beginning of this year the Soviet suild-up on th Chinese frontier had reached the level of 45 divisions. The troops had costly permanent installations and supporting units. Large numbers of nuclear weapons, both strategic and tactical, were also in place.

If you add the logistical and supply units to the combat units, the Soviet manpower on the frontier is therefore around 800,000 men. Not long ago, Chou En-lai put the figure at a million men in a private talk with a foreigner. But Chou was probably including the Mongelian Army, which is a mere dependency of the Soviet Army. ...

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Furthermore, all this Russian vast force has been mainly deployed over a two-track rail line, the Trans-Siberian. The right way to think of what the Soviets have been doing, in truth, is to ask yourself what it would. cost this country to put 800,000 men into Alaska!

The first cost of such an Alaskan deployment, including supporting investments, has been estimated to this reporter at around \$30 billion. Add the yead av maintenance cost of such a large perse no force over a long period. You kee for then have a bill no sane govern then have a bill no sane govern then would pay without being conditionally ready to use the force in question,

Obviously, there are a lot of people in the Siviet government who want to put the force to use. perhaps in another couple of years. And obviously, this is why the Chinese want in insurance policy so badly.

#### Letters

U.S. Press and Vietnam

I hope that some day a record will be written of the role of the American press in the Vietnam war, both at home and abroad. Unfortunately no one was over able to give us photographs of the Viet Cong belieading village elders of the south; but the Communist press around the world reprinted. American photographs of American Marines setting fire to barnboo houses to destroy a village suspected of harboring Viet Cong guerrillas. The "old China Lands" among

the correspondents were wise and savvy in the ways of the Orient, but many of the young inex-perienced writers tried hard to find "the good guys" and "the had guys." They longed to see President Ngo-Dinh Diem as a great democrat, and when he didn't fit the picture they turned against him and wrote only about not delegating anthority, lack of freedom, a one party regime, graft, etc., often forgetting that many of these situations existed in New Jersey, or Chicago, or Louisians. They could not understand that Diem was a mandarin. the product of his own society. and ruling a country in Asia.

The American press, probably more than any other element bears the responsibility of undermining the Ngo Dinh Diem regime. But who will try the press? Who will "uncover" the LT. REINHARDT.

Wohlen, Switzerland.

#### Nader's Appeal

In reference to the July 14 editorial by the New York Times on the "Democratic Outlook" to many American voters Sen. Muskie and the President are almost the same thing-nothing. The same goes for Sen. Hum-phrey, Sen. McGovern will capture neither the Democratic voters nor their money and, as well stated, the memory of the midnight swim has not left America as of yet, so that it is definitely too soon for Sca Kennedy to Tun for President Yet in America there is a grassroots sentiment for someone who said he would stop poliution; stop military spending and showed how he would do it. Such

a man is Ralph Nader. Last November in the Ohicago Daily News Mike Royko put a column with the four front-run- 1 dance 5 ners and Nader. The results were: Humphrey 11, McGovern 41, Kennedy 42, Muskie 148 and Nader

Think about it: Nader and say. Hughes, versus Nixon and Agriew. It seems fairly obvious who

- PAUL LUKACS. Mimizan, France.

#### New Mode

I admire the International Herald Tribune's sense of humor in the make-up of page 6, in the July 13 edition. It showed a photograph of a lovely Dix model swathed in fur during the July heat wave. The photomorn as: graph was surrounded by an article on the gains won in women's rights in the United Her. He v States. The joke is obvious.

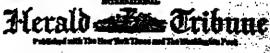
High fashion may still fool a brush ex lot of women for some time to come, but, gratefully, that cuslavement too is coming to so end. Women have much more to look forward to than this year's or any year's fashion shows. SHEILA GOLDBERG.

#### Tourist Prayer

May we add a note of thanks also to the "Prayer for Tourist" (DHT, July 13) in order to complete the prayer?

plete the prayer?
(Together)
"We thank you, gracious Pathes,
for the generous people like Mr.
Art Buchwald who would preach,
without demanding a tip how a
bow, the spirited laugh and saile
to the weary tensed washing
bewildering tourists in the midst
of the antitouristic wave and the greed for worldly goods."

WON YONG II



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#### 57 Are Arrested

## Exodus of Hippies From Ibiza; Police Fire in Air During Clash

IBIZA, Bulcaric Islands, July 18. -Police clashed Friday night with an estimated 300 hippies on this sunny Mediterranean island and arrested 57, including some Americans, after firing shots in the sir. Police said nobody was injured

by the gunfire. But some hippies alleged that two of their number were wounded by shots. Several minor injuries were reported in hippis-police clashes.

Since Priday night, a mass exodus of the hippies has been under wey. Several hundred of them were estimated to have packed their bags and fled the island. Most of them appeared to be headed for Amsterdam.

About 50 other hippies were reported to be hiding in pine-covered hills and in caves along

A police spokesman said today

#### Helen Hull, U.S. Author. Is Dead at 83

NEW YORK, July 18 (NYT). -Helen Hull, 83, the author of 20 novels, who was emeritus professor of English at Columbia University, died Thursday in St. Barnabas Hospital.

Miss Hull, who had almost finished ber 21st novel, also wrote 60 short stories published in the Saturday Evening Post and other leading magazines. Her themes were American family life and

Her reputation was widened by the award of a Guggenheim Fellowship for travel and study abroad in 1930 and the Bookof-the-Month Club selection of her; novel, "Heat Lightning," in

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n 1960, she won a Dodd. Mead award for the best suspense novel written by a college professor. It was for ber detective story, "A Tapping on the Wall." Her last published book, in 1963, was also a detec-

tive atory, "Close Her Pale Blue She served on the Columbia faculty from 1916 to 1956. Barlier, she had taught at Barnard College and before that at Wellesley College, where a pupil was Mme. Chiang Kai-shek, whose biography

"Mayling Soong Chiang." Her books included Hawk's Right." "Landfall" and Wind

she wrote under the title of

Baron d'Erlanger -

PARIS, July 18 (AP) - Barou Theodore d'Erlanger, 81, Russlanborn founder of the French School of Choreographic Studies. resterday.

The baron fled from Russia tom i . after the revolution and formed a dance school in Paris in association with the famed ballerina Paviova and the dancer Alexander Volinine

> William Thompson LOS ANGELES, July 18 (AP). -William Thompson, 58, a longtime radio actor who had an peared on the Tibber McGee and Molly Show," died Thursday.

Mr. Thompson, who since 1957 was a Union Oil Co. executive, was the voice of many cartoon characters, including the white rabbit in "Alice in Wonderland" and other Walt Disney charac-

Hill Thompson, as he was known was heard as The Old Timer, Nick De Popolus, Horatio K. Boomer and Wallace Wimpla on "The Fibber McGee and Molly Show " He won his network sours through expert use of dialect having some knowledge of 19 foreign languages. In addition, ha was frequently called on to reproduce animal noises on tha

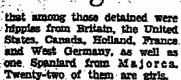
Early McNeely SACRAMENTO. Calif., July 18 (UPI).—Early McNeely, 73. Washington Senators hero in the 1924 World Series, died Friday at a bospital here.

#### Nigeria Holds Public Execution For 12 Criminals

LAGOS, Nigeria, July 18 (AP). Army firing squads in three ci-ties publicly executed 12 convict-ed armed robbers yesterday as

part of the government's crack-down on crime. In Ibadan, 20,000 watched as two men were shot for mjacking condemned to die before a fira taxi and threatening the driver. In Akure, four men were ex-

November. Six other men were death for such crimes.



Police clamped silence on the incident in which shots were fired. but the clash appeared to spell an end to Ibiza being an anything-goes place for hippies whose dis-plays of nudity in public, drug-taking and unabashed lovemaking have irritated villagers and foreign residents.

The confrontation began Friday when a California hippie, 44-year-old Robert (Blind Bob) Berge, wearing flowing robes and car-rying a white stick in one hand and a cross in the other, led 300 cans, to the village of Santa Eulalia del Rio for what he said was to be a hirthday celebration.

Conflicting Reports

There are conflicting reports on what happened next.

The official Spanish news agency Cifra said the hippies took over the tranquil fishing village for several hours. The local police, vastly outnumbered, called in reinforcements from other towns, including the island capttal, and succeeded in beating them

Cifra said the hippies marched on Santa Eulalia after police nearby farm following complaints that they had trampled the fields, defecated in the wells, stolen fruit and wantonly displayed their

The hippies themselves and tourists who watched the clash gave accounts that differed from

the Cifra story. Mr. Berge, who is called Blind Bob because he has only 10 percent vision, said the birthday celebration was intended to be

"I led my people into a ber, but the owner said be could not cater for so many," he said. "We bought wine and went to a nearby piece of wasteland where we sang and danced. Suddenly, a hose pipe was turned on us."

Busload of Police The bar owner then invited the hippies back into the bar, but

half an hour later a busioad of 30 police arrived. Tourist onlookers said the police fired warning shots into the air

and ordered everyone out. Spanish newspaper reports confirmed that warning shots were fired. "I saw about 20 young people heaten senseless," a British tour-ist, James Ferguson, 29, of Brigh-ton, said. "It was horrifying to

watch. One hippie who tried to escape by climbing over a wall appeared to have been shot down Other tourists also alleged police roughed up several youths,

lined up and handcuffed together in the village square before being carted off to a jail. "There has never been any peace for us anywhere, but nothing like this has happened before."

a 19-year-old who escaped the roundup said. "We are all clearing out."

It was the second time in two years that hippies have left Ibiza in a hurry.

In 1969, police cleaned up the island after some hippies, accord-ing to Spanish reports, stole skulls from a cemetery, placed them on a beach during a midnight party and danced around them in the

Consular sources said they assumed that no charges would be brought against the arrested, and that they would be quietly sent back to the mainland.

#### Death for Russian Who Headed Nazi Execution Squad

MOSCOW, July 18 (AP) .- One Russian has been sentenced to death and another six have received stiff labor-camp terms for cooperating with World War II Nazi occupation troops, Tass reported.

The government news agency said the seven "enemy henchwere convicted after a month-long trial in Smolensk but gave no indication when the trial was held.

In June, 1942, Tass said, 157 people, "mostly old people, wo-men and children," were killed by a group including the seven convicted men on "orders from the German punitive organs."

Following testimony by 50 witnesses, the report continued. Nikolai Chernomashentsev, "former commander of the special mobile punitive detachment." was

It was the second Soviet government announcement in the past five days that Soviet citizens have been condemned to death for cooperation with the Germans. On July 13 the Supreme Court of the Kalmyk Autonomous Republic sentenced three men to



GRACEFUL LADY—In Chicago to champion breastfeeding, Princess Grace of Monaco told applauding mothers that it was the best way to encourage family unity and help fight "the current wave of public indecency." The former movie star criticized films, television commercials, magazines and other media for "debasing" values and urged renewed emphasis on the mether-child relationship to combat such influences. Tapestry in picture was hung especially for her appearance.

#### Persian Gulf States Set Up A Federation

DURAI, July 18 (Reuters).— Rulers of six of the seven Trucial States on the Persian Gulf agreed today to establish a federation of their Arab emirates aimed at ensuring political and economic stability after Britain's military withdrawal at the end of this

The adoption here of the constitution for the new federation by the six rulers represents a major breakthrough in threeyear-old attempts to knit the small gulf sheikhdoms into a viable union able to undertake its own defense.

Following Britain's announced intention in 1968 to withdraw militarily from the gulf, whose bordering states provide more than 60 percent of West Europe's oil needs and 90 percent of Japan's, efforts began to form a federation of all nine guif sheikh-doms, comprising Bahrein and Qutar as well as the Trucial States.

But in face of differences over the constitution, the larger states of Bahrem and Qatar are now expected to proceed to full independence, and the seventh Trucial declined to sign the new constitu-

The compromise federation of six will have a total population about 190,000, and will be dominated by the oil-producing states of Abu Dhabi and Dubai, whose combined annual oil income is more than £150 million. The other four members of the federation are Sharjah, Ajman, Umm al Quaiwain and Fujairah.

Britain has had special treaty relations with the gulf states for 150 years, exercising responsibility for their defense and foreign affairs and some internal admin-

istrative tasks. The announcement of agreement on the constitution came after a week of discussions here among rulers of the seven Trucial States, Bahrein and Qatar, which are not Trucial States and are in different treaty relations with Britain, were not represented.

Conference sources said the announced agreement on a federal constitution still left the door open for the three other gulf states to seek membership in the union if they wished.

Only Ras al-Khaimah, located at the gulf entrance near the Strait of Hormuz, was thought likely to pursue this offer. Sources said Ras al-Khaimah declined to accept the constitution after it was refused veto powers equal to those of Abu Dhabi and

Dubai in the Federation's Supreme Council of Rulers.

A communique said a further
meeting would be held in neighboring Abu Dhabi, probably next
month, to adopt legislation for the federal machinery and discuss executive appointments.

The union's first president is cted to be Abu Dhabi's ruler, Sheikh Zayed bin Sultan, with Dubai's ruler, Sheikh Rashid bin Sa'ad al-Maktoom, as vice-presi-

#### Italian Rail Unions Cancel I-Day Strike

ROME, July 18 (Reuters).— Italy's railroad unions today called off a 24-hour national strike scheduled to start tomorrow night after obtaining a government promise to increase the number of railway workers by 11,000 men. The strike had threatened to disrupt vacation plans for millions

of Italians and foreigners.

Alan McAfee

## **Duped Into Attacking Palace,** Four Moroccan Cadets Assert

RABAT, July. 18 (Reuters) .-Four Morocean Army cadets who took part in the abortive coup against King Hassan II's regime last Saturday said here last night they thought they were going on maneuvers before they were ordered to attack the king's seaside palace at Skirat, near Rabat.

The four, in their late teens and early 20s, were presented to journalists at army headquarters. Wearing fatigues and hatless, they appeared relaxed and even

in good humor. In a brief appearance, the four said they were told the day before the coup they were going on maneuvers at Ben Slimane, south

#### Rome, Vienna Act to Solve Border Issues

ROME, July 18 (NYT) -Italy and Austria signed a treaty bere yesterday under which future disagreements over the predominantly German-speaking Italian region of Alto Adige (South International Court of Justice at The Hague.

The two governments agreed in 1969 to a package of measures to ease the border issue. Through constitutional amendments, expected to be approved soon by the two parliaments. Italy will give Alto Adige more legislative and administrative autonomy and Austria will pledge noninterfer-ence in the region's affairs.

The treaty signed yesterday is regarded here as a further step in the final settlement of a 50year-old quarrel. The region's 420,000 inhabitants have been divided into pro-Italian and pro-Austrian factions since the Austrians' South Tyrol was incor-porated into Italy following the Austrian Empire's defeat in World War I. About two-thirds of the inhabitants are German-speaking. The ethnic conflict broke out into terrorism from 1961-67, mainly by

German-speaking separatists. The Italian foreign minister. Aldo Moro, and his Austrian counterpart, Rudolf Kirchschlager, also signed two other agree-ments on minor border questions. The two ministers also agreed on closer economic ties and Italian support was again pledged to Austria's bid for a epecial association with the European Com-

#### Rail Crash Kills 15 at Sarajevo

SARAJEVO, Yugoslavia, July 18 (AP) —Fourteen vacationing schoolchildren and their teacher were killed yesterday when a special school holiday train rammed into the front of a stationary freight train at Semizovac station,

near here. Seven children injured in the accident are being treated in the hospital here. Those killed were traveling in the first coach of the train.

An investigating judge ordered the imprisonment of the special train's engineer and his assistant on suspicion that they entered the station without obeying a red light.

#### of Skirat. They left the Ahermoumou training school 135 miles east of Rabat in trucks early the morning of Saturday.

When the fleet of trucks stopped outside the Skirat Palace, they said, Col. Mohammed Ababou, commander of the Aher-moumou school, climbed on to the hood of a vehicle and told the cadets the king was in danger and they must go . to save him. They were ordered to "fire ahead."

The four said they fired into the air, and only the officers and "goums" (veteran soldiers) with them fired to kill.

They described Col. Ababou, one of a dozen high-ranking army officers who led the coup, as "very intelligent and severe."
They said they did not have any conversation with him because "he was not the kind of man a cadet could talk to."

At Ahermoumon, they said, they underwent rigorous training and received "moral" instruction as well, which one of them described as "being loyal to the king."

Cadet Sgt. Kannouch Mahouche said that when he recognized the king be presented arms to the monarch, "kissed his hands and feet and told him we had all been misled." 'Used as Puppets'

The cadets said the king then told them, "My children, you have been used as puppets."

Asked if they had been drugged

before the attack, one of the cadets said they were served coffee which had a strange taste and color. During the attack, he said, when they were told to fire on everyone inside, they felt "very excited and like lions in the jungle.

The four cadets are among over 900 who, King Hassan said last night, have been rounded up since the coup. Officials said an estimated 1,400 men took part in tha coup, during which 92 people were killed and 133 wounded at the seaside palace. Casualties among the attackers were at least 158 dead, according to an official figure given the day after

#### 20 Japanese Miners Killed In Explosion

SAPPORO, Japan, July 18 (UPI).—An underground blast apparently caused by gas leakage ripped through a coal mine northeast of here yesterday on Japan's northernmost island of Hokkaido.

Police reported 20 bodies of workers had been recovered. Ten miners were etill trapped 13 bours after the accident All the dead appeared to have been killed by methane gas.

3 Kentucky Miners Die ASHERS FORK, Kentucky, July 18 (UPI).—Rescue workers vesterday found tha bodies of three coal miners killed by a slate fall in a mine here owned by the Halmar Coal Co.

#### Fire in Belfast Kills 3

BELFAST, July 18 (AP) .-Three persons—two of them Canadian tourists—died in a fire which swept two floors of a Belfast hotel early today. L

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# Is Due Today

Move to Stimulate Economy Expected

By John M. Lee LONDON, July 18 (NYT).— Government measures to stimulate the laggard British economy are expected to be announced tomorrow by Chancellor of the Exchequer Anthony Barber, official

sources indicated. The measures are expected to take the form of easier terms for installment buying and reductions in sales taxes on a wide variety of goods from automobiles to jewelry. Such changes can be accomplished by administrative or-

The impact is expected to be mildly reflationary. Following on this week's announcement of a \$24-million public-works program in England, Scotland and Wales, the new measures are intended to hasten Britain's recovery from its

Political analysts are already offering two interpretations of the government's action.

Mistaken Strategy

One view is that although the lower taxes and higher allowances announced in Mr. Barber's March 31 budget are just now coming into effect, the government is conceding that its whole

In other words, the economy was in a deeper recession last spring than the government realized at the time. Therefore, fresh measures are needed to supplement the stimulus of three and a half months ago.

Another interpretation is that the government is trying to reduce prices. with the purchasetax cuts, and unemployment to appeal to public opinion as a factor in the campaign for join-ing the Common Market.

The Labor opposition has been arguing that the Conservatives have made such a mess of the economy since they came to power last summer that Britain could not afford Common Market membership, Opinion polla show deep public concern over prices and the number of jobless,

#### British Order Law Curbing Free Assembly To Cut Taxes Overruled by French Council

recent law placing restrictions on

the right of free association. The decision, returned late Friday, was a milestone in the history of the Fifth Republic, founded under Charles de Gaulle in 1958. It marked the first time that the council dominated by the ruling Gaullist party, had opposed the government on a

The law, bitterly criticized by liberals and leftists, had sought to amend guarantees established by the law of association of 1901. Under this, any group can establish legal status by declaring itself to the local prefecture,

an outlawed group it could be barred. But it could appeal to the courts, which had to render

a decision within eight days. The measure was passed by the assembly in a night session, hut was rejected by the senate. The assembly then overrode the sen-

But a law can be submitted to premier, the speaker of the assembly or the president of the ident Pompidon in the 1969 elec-

The declaration of unconstitu-The council an innovation of

#### **Athens Says NATO Pact** Binds U.S. to Military Aid

ATHENS, July 18 (NYT) .- The military-backed Greek government asserted yesterday that U.S. defense aid to Greece was an obligation under binding decisions of the North Atlantic . Treaty

Organization council. Christian . Xanthopoulos-Palamas, the Greek under secretary for foreign affairs, told newsmen that Athens was not "interested" in the U.S. House Foreign Affairs Committee's vote to ban military aid until democracy was restored in Greece, "Basically," the official said, "we are interested in U.S. decisions on the matter but not in internal American procedures. . . We are in-terested in knowing whether the U.S. will continue to respect NATO council decisions on the

aid to Greece The official explained that NATO council decisions fixed the precise nature of military equipment supplied as aid to Greece and Turkey. Decisions of the North Atlantic Treaty Ores. nization, he said, were as binding

Coutrast

The under secretary's confident tone contrasted with Premier George Papadopoulos's sharp reaction Friday against the congressional group's decision to stop aid until free elections are

The premier said elections would be held only at the government's pleasure-"tomorroin 20 months, or in 20 years." "In the whole earth," he added defiantly, "there is not enough gold to make us sell out the interests of the nation and endanger its survival."

Shipowner's Offer ATHENS, July 18 (NYT) -A leading Greek shipowner has offered to donate \$3 million for

the national defense. Ioannis Laisis, in a letter to Premier Papadopoulos published today, said his offer was in sup-

## Best thing after "escargots"



or frog legs with gorlic, or roquefort, or ony of those French meals you enjoy here. Listerine, the well known mouthwash you use of home. Avoilable in French phormacies. Listerine.

PARIS, July 18 (NYT).— France's Constitutional Council has declared unconstitutional a

fundamental point of law.

But governments in France have also hav the power to declare a group illegal on the ground of subversion. After the near-revolution by students and workers in May, 1968, officials outlawed several leftist groups. One was the Proletarian Left, associated with the Maoists, whose newspaper, La Cause dn Peuple, was regularly seized hy the police.

A group called the Friends of La Cause du Peuple was formed and declared itself officially. The prefecture refused to accept the declaration, but on appeal the prefect was overroled by the

The government then sought amend the law, to the effect that if it appeared that the group was merely a reconstitution of

A Higher Tribunal

the Constitutional Council by the president of the Republic, the senate. This was done by Alain Poher, the president of the senate, a centrist who opposed Pres-

ability to face the needs of the

armed forces from her own re-

sources without additional sacri-

The shipowner's offer, an-

nounced with banner beadlines

emplified the tone of the mes-

sages of congratulations and soli-

darity the regime said it was re-

ceiving from labor and profes-

sional organizations and private

citizens after the congressional

threat to cut arms deliveries to

Mexican Private Kills

TLJUANA, Mexico, July 18

(AP).—A soldier who had said be was depressed over a love

affair sprayed an army barracks

with automatic rifle fire, killing

The soldier was identified as

Pvt. Ezequiel Oceguera Gamez, 21.

Pvt. Gomez was killed by Lt.

Javier Herrera, 27, who heard the

shots Friday and ran to the scene

with a 45 caliber pistol, officials

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four and wounding two others he-

Four in Barracks

fore he was shot to death

fices by her children."

by the Greek press t

in Congress.

port of the premier's "Greek-like reaction" to last week's move

imperative need to grant military

as international undertakings,

held in Greece, where political rights have been suspended since

the 1967 military coup.

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the Pifth Republic, also certifies

The nine-member group is appointed for nine years. Three are named by the president, three by the speaker of the assembly and three by the president of the

senate. The system of checks and balances it was supposed to help maintain had never worked be-

cause it was Gaullist dominated. Its present chairman is Gaston Palewski, a long-time Gaullist. How the council voted was not revealed, but the decision is final. The government made no comment nor did it reveal any intention of trying to obtain new leg-





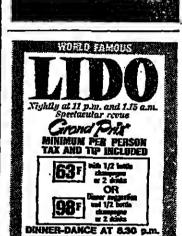
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Mormon Alberman (Pres.)

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ecuted, two for robbing a woman last September and two others for taking money from a man in shot in Benin for armed rob-

beries last February. Death by firing squad for convicted armed robbers was ordered by Nigeria's military government soon after the country's civil war ended in January, 1970.

-Herald Tribune-

SUPER CAN OPENER—Workers at the Pine Bluff Arsenal using automated equipment manipulated through the glove ports to open cans of bacteria or viruses to be destroyed as the Army shuts its germ warfare shop.

#### Deadly, Debilitating Bacteria and Viruses

## 'Demilitarizing' U.S. Germ-War Weapons

By Myron S. Waldman

WASHINGTON - Several times w during the past few days, two men have met in front of three large earth-covered mounds at the Pine Bhiff Arsenal in

The soil on the mounds is only two feet deep, but it is enough to conceal three very special igloss made of reinforced concrete. It is very cold inside the igloos, 40 degrees below zero in two of them and 40 degrees above in the third. They are protected by sophisticated alarm systems, patrol the area. For in the igloos, according to the Pentagon, are every anti-personnel virus and bacteria ever developed by the Army to kill or incapacitate the enemies of the United States. Lately, there has been an in-

crease of activity around the mounds. The two men who meet each have keys to the igloos, Each igloo has two locks and each man has keys that will open only one set of locks. Together, as they must, they unlatch the doors and set to work. They and their associates are beginning to destroy America's offensive biological weapons, as President Nixon ordered two years ago.
Out comes the Botulism A,

scaled in No. 10-sized tin cans. Out come the anthrax and the francisella tulerensis-rabbit fever germs. Here come the Venezuelan equine encephalomyelitis to de-stroy the brain and the coxiellz burneti to heat humanity with fever. Here's the shellfish poison to attack the nervous system, and the staphylococcus enterotoxin to inflame the intestines.

All are carefully, oh, so carefully. loaded into a refrigerator truck.

Ahead of the truck is the decontamination van. And ahead of the van is the warning jeep, com-plete with flashing lights. Off the deadly little convoy goes, down a mile of paved road and past the laboratory buildings of the Pine Bluff Arsenal. Still on the ersenal grounds, the convoy halts and the refrigerator truck is tenderly emptied at the back door of a special laboratory.

#### The Process

Now the laboratory finally has collected enough of the viruses and the germs. Enough so that 225 scientists and their aides can at last begin the process of ren-dering the weapons of germ warfare harmless.

The material in the igloo, that is 40 degrees above zero, contains dry agents placed inside plastic containers, wrapped in plastic

Food.

eating is a favorite

The fine art of good

European pastime - and

Where to eat what, and

gourmets eat up the Tribune's food articles.

for how much, is cov-

ered regularly in the

feature pages of the Inter-national Herald Tribune.

bags and then inserted into six-gallon metal drums. The material is placed in those cans, four to a container, inside steel cylinders, which are also sealed and numbered. All the containers, once set to the laboratory, are eventually put into cabinets which are

atmospheric pressure so that the viruses and the bacteria cannot be sucked outward into the laboratory rooms. Should the cabinets fail, the rooms are under negative atmospheric pressure in to the hally that fall, the hallways are under negative atmospheric pressure in regard to the air outside the laboratory.

pel is funnelled directly to an incinerator heated to 1,000 degrees Pahrenheit. And all air passing out of the rooms in which the cabinets are located is monitored

#### 280 Degrees F.

According to an Army document, the decontamination process the Army refers to it as "demilitarization"—goes this way: Even before the convoy sets out. sample cans are taken from the cylinders and examined to make sure the virus or the bacteria is what the label says it is. Then, the lot is taken to the labora-tory. The cans are removed from the cylinders. The cylinders

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background to put events

into perspective - that's

signed editorial comment

and you have the Herald

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about half the size of a large

refrigerator. The cabinets are under negative

The cabinets do have an ex-haust system, but what they ex-

are sterilized by steam and removed from the lab. The cans remain. They are partly thawed by passing them through a warm decontaminant solution. Then they go into the cabinets, where scientists reach in through glove ports and work

with automated equipment. The cans are opened and the thawed solution poured from them. The solution is piped into a sterilization tank, which is steam-heated to 280 degrees Fahrenheit and heid at that temperature for three hours. Meanwhile, the empty cans are decontaminated. sterilin an autoclave and from the laboratory. After cooling, samples are taken from the sterlization tanks and

tested to verify that the bacteria or viruses have been destroyed. If this is certain, the material is then combined with sewage or-ganisms and bio-degraded in a way similar to ordinary sewage. Then it is again sterilized at 280 degrees Fahrenheit for three more hours. And, once more, samples are taken to make sure the bacteria or viruses are dead. Still, the sterilization process continues. The liquid is then poured into drums, heated in an autoclave and shipped to a small commercial sewage treatment plant which serves the Pine Bluff Arsenal, There, it is biodegraded once more, then dis-charged into a sealed, covered evaporation pond where it will

dry.

After that, the dust will be taken to a grassy area on the

The Seven Deadly Bugs WASHINGTON—Here are the seven anti-personnel viruses and bacteria that the Army will destroy at Pine Biuff Arsenal, and a summary of the damage they can do. according to medical textbooks and scientists:

Botulism A: Paralysis of the eyes, throat and chest, double

vision, respiratory failure. A high fatality rate but difficult to spread through great numbers of people.

Anthrax: A disease marked by hemorrhage, headaches, high fever, vomiting, bloody diarrhea. Can be fatal, but also can be effectively treated. One estimate is that about 20 per-

cent of those infected would die. Venezuelan equine encephalomyelitis: Severe inflammation of the brain and spinal cord. double vision, high fever. can

be fatal.

Coxiella burneti (Q fever): Highly infectious, can be contracted merely by breathing, high fever, extremely debilitating but rarely fatal.

Francisella tulcrensis (rabbit fever): Usually transmitted to man from rodents through fly bites. Prolonged fever, swelling of lymph nodes, sometimes resulting in ulcers. Can be fatal but also can be treated effectively with antibiotics. Staphylococcus enterotoxin: A food poison causing violent

vomiting and upset stomach but rarely fatal. Shellfish poison: A virus that attacks the nervous system. resulting in extreme debilitation and occasional paralysis. According to one scientist, it is rarely fatal.

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justice and international morality as well as the United Nations For Whom?

arsenal grounds and buried four

inches deep. Grass will be planted

to cover it. "We have 15,000

acres," a spokesman at the arsenal said. "I guess there isn't

a house within four or five miles

And what if a dog or some

other animal might dig it up? "Even if that happens," the

spokesman replied, "the stuff will

be harmless." He figured the entire operation would take until perbaps next April to finish,

after which the arsenal will be

turned over to the Food and Drug

the book "The Andromeda Strain"? "No," he said. "I've got lt, but I haven't started read-

Suspicions

There remains suspicion in the

minds of some that the Army is

not really getting rid of all its biological weapons. President

Nixon, in renouncing offensive and retaliatory biological warfare

on Nov. 25, 1969, said that the

program would continue in rela-

There is one report that the

Army may be quietly transfer-ring its operations to the Dug-

way Proving Grounds in Utah,

where some insist anthrax and

bottilism agents are already

stored. And notedly absent from

the list of organisms to be de-

stroyed at Pire Bluff are the

varieties of plague bacteria, a conventional part of every na-

Still, there is no doubt that the work at Pine Bhill began

Tuesday and is also being carried

out on anti-crop materials at Fort Detrick, Md., Rocky Moun-

tain Amenal, Colo., and Beale Air Force Base in California.

They are labors that are being

watched closely by the U.S. Arms Control and Disarmament Agen-

cy, whose representatives at Ge-

neva are trying to negotiate a treaty with the Soviets to ban

development, prodoction and use

one scientist formerly engaged in developing the deadly and debli-

tating strains a bit wistful "Some

of these things could be used in

almost a humane way in war,"

Referring to organisms that

sicken but do not kill, he said, "We could make a population completely immune and hit in-

vacers selectively. They could be

taken prisoner and recover com-

plexely. It's a lot samer than blowing people's heads off."

C. Newsdor

Every week the Herald

and interesting everywhere. That includes galleries and

Tribune reports on the

wonderful world of art in

Europe: what's new, old

the auction houses, too:

it's important reading

if you paint, sculpt or merely collect.

It is enough to make at least

of biological weapons

tion's germ warfare arsenal.

tion to defensive research.

Administration.

ing it yet."

from where we'll bury it."

Who wants a "Bangla Desh" and for whose benefit? Is it really the 75 million people of East Pakistan who want to become an independent nation? Would the colossal economic, geopolitical and demographic problems then be enlyed?

By I. Gondal

PARIS. - The seasonal Goods.

tragic events since March in the

unfortunate land of East Paki-

stan have deeply touched the world. Unfortunately, the reports

on human sufferings and mis-

eries have created great confu-sion in the international com-

munity and made little contribution towards understanding the problem or finding a solution.

Indian Defense Minister Jagji-van Ram has said that "a new

nation of 'Bangla Desh' will ultimately be established in East-Pakistan" and that "freedom

forces of East Pakistan will have

India's sympathy and support." Some leading journals of Europe

have started advocating inde-pendence for "Bangla Desh" as the only way out of Pakistan's

A solution through war with

a powerful neighbor or through

breaking up of the nation make

a mockery of the principles of

the cyclonic disaster and the

Will "Bangla Desh" prove to be a stabilizing factor in the turbulent region or will it feed hate and greed, and thus reinforce the forces that will further split Pakistan and India into petty

Can we permit in this century a powerful nation to destroy a weaker neighbor through internal subversion, or, failing that,

through military conquest?
First, let us consider whether a powerful minority has the right to suppress the will of a majority through the force of arms. Has the minority the right to terror-ize unarmed people of a majority because of political disagreement? Ras a government the right to has a government the right to indulge in massacre and even "gencelde" under cover of law and order? Is it not the duty of a government in power 19 protect the breakup of a nation doe to the whims and caprice of a few unscrupulous and ambitious individuals?

To quote an example of the American civil war: Was Abra-ham Lincoln justified in his action against the Southern states Today, much of the world com-

munity assumes that the minor-

Ity of West Pakistanis, particularly the Punjabis, had treated the rich part of East Pakistan as a colony for the past 22 years; that the people of East Pakistan under the leadership of Shelkh Mujibur Raman and his Awami League party gave their verdict during the elections of last December by voting the Awami League party into a convincing majority; and that the central government headed by Gen Yahya Khan, with full support of the armed forces and other rested interests, was not prepared to transfer power to the elected majority. The world press has even reported that the armed forces of Punjabls are ruthlessly executing their plan of "genocide to rob East Pakistan of its political leadership by systematically eliminating Awami Leagus officials, intellectuals, professors, artists and students, and by terrorizing the population through massacres, arson, rape and plunder. No one has pointed out that not a single prominent Awami League leader or any East Pakistani leader has been reported killed or executed Sheikh Rahman was arrested on March 25th. All other Awami League leaders are either comfortably lodged in Calcutta as guests of India or are touring the Western world. The prominent professors and intellectuals that were reported "executed" have arisen from their graves and appeared in person on television. Instead. the horror tales by refugees in camps across the border are being dally splashed in the press.

#### Terror

Undoubtedly killing has taken place. Pakistani anthorities say the Awami League let loose reign of terror starting March 1 and lasting until the army went into action on the night of March 25 to restore law and order. Ther say subsequent events have proved that the Awami League leadership made full preparation in concivance with India for an armed rebel-

In the elections of December. 1970, did the people of East Pakistan really vote for secession and for an independent "Bangia Desh"? Did the Awami League leadership at any time during the campaign give a hint to their people that the issue at stake was secession? They did not. Then from where comes the expressed will of the people of East Pakistan for an independent "Bangla Desh"? During the election campaign, the Awami League leaders took pains to emphasize that they were "open to negotintions" and that it was mischieyous on the part of their critics to suggest the they visualized anything outside the framework of Pakistan. In fact they had

stressed that they were asking

#### 'After Rahman's victory, the President of Pakistan publicly described him as the future Prime Minister of Pakistan, but

through greater provincial au-tonomy, it said. The People's

Party in the western wing told voters: these twenty industrialist

families and the bureaucracy

are thriving at your expense; vote

for us and we will deliver you

from the clutches of economic

It is indeed a great tribute to the maturity of the people of

Pakistan as a whole that out of

a mushroom growth of 25 political parties, they returned two parties

into power: the Awami League in East Pakistan and the People's

Post-Election

cient power to meet its obligations. He even wanted the trade to be

ond fresh elections, were to be

: If the Awami League and other

political parties had arisen to the

occasion they would have abstain-

ed from petty maneuvering for

party benefit. But they ald not

and thus created conditions in

which President Yahya Khan

himself had to fly to East Pak-

istan for a second time in order

to act as a mediator between the

Postponement

It is very difficult to decide at

this moment whether President Yahya Khan was right in coming

to the painful decision of post-

poning the session of the assembly

which was scheduled for March 3.

It is alleged that under pressure from his "military junta" and

vested interests in West Pakistan,

Yahya Khan had used this excuse

for not transferring power to the

elected majority of East Pak-

istan. If Yahya Khan had at any stage such plans, why did he go

through all the motions of first

holding free general elections? Why did he fly twice to East Pak-

isten for talks with Shelkh Muji-bur Rahman? Why did he pub-

two major parties.

completely independent.

Awami League?

and social insecurity.

A Pakistani Looks at 'Bangla Desh'

Rahman refused to play the role of an all-Pakistan leader.'

#### for greater autonomy for all the provinces of Pakistan within the framework of a single country. His Program

After a convincing victory in favor of antonomy for the provinces, Sheikh Rahman started elaborating his program in a manner which the voters had not bargained for. His attitude was "take it or leave it." During the whole period of political negotia-tions and crisis Mujibur Rahman defiantly refused to visit West Pakistan although all political leaders of West Pakistan visited Dacca. The President of Paki-stan during his first visit to Dacca after Rahman's victory, publicly described him as the future prime minister of Pakistan, but Rahman refused to play the role of an

all-Pakistan leader. No one can deny that East Pakistania have geniune grievances. Their standard of living is comparatively lower than in the western wing. Awami League politicians fully exploited the people's wish for an equitable share of the national wealth.

Even for this there is solid historical background which has been overshadowed by the efficient propagands drive of Sheikh Rahman and his able

The misery of East Pakistan started in 1757 with the Battle of Plassy on he plains of Bengal, when Britain took the first step in its conquest of India. The ruthless exploitation of Bengal by the East India Company is a matter of history. The East India Company and British rule bled the country of its riches before breaking down its flourishing trada and cottage industry with the import of manufactured

#### Centuries Gap

It is easy to sympathize with the underdog but it is also neces-sary to acknowledge that a gap of centuries could not be bridged in two decades. Particularly not by a country like Pakistan, which at its inception in 1947 was burdened by the influx of millions of refugees driven from their homes at the time of partition. Even then, the standard of liv-ing in the western wing was canal system improved immensely during the British rule. Moreover, the small business com-munities of Ismallis and Boras from Bombay and Calcutta who had evacuated to Pakistan established their business concerns in

the western wing. However, it is not true that all the development took place in West Pakistan and East Pakistan was totally ignored. East Paki-atan which had not even a factory for pressing of inte into bales today enjoys the world's most modern jute industry. Besides a dozen jute mills, there is a steel plant, oil refinery, cement industry, paper mill and Pakistan's biggest fertilizer factory. From 1952 till 1958, Pakistan became the victim of the politi-

cians; resulting in many govern-ment changes and bringing the nation to the brink of ruin. However, during these years three Prime Ministers of the central government were from East Pakistan namely Khwaja Nazi-muddin, Mohammed Ali of Bogra and the founding father of the Awami League party, H. S. Sohrawardy, Also, ministers from East Pakistan held prominent posts in the central cabinets. The eastern province throughout had its own parliament, and its own cabinet composed entirely of East Pakistanis.

#### 5-Year Plans

During the regime of former President Ayub Khan greater al-locations were made in Pakistan's second and third Five-Year Plans for developments in East Paki-stan and a much greater share was allocated to the eastern wing in the fourth Five Year Plan which began in July of last year. Every possible step was being taken to restore parity between the two wings in the services of the central government and the

armed forces.

Moreover, Pakistan has adopted a law that all civil servants have to retire at the age of 55 in order to make room for the young officers to be promoted to the highest posts, and thus help bridge another gap between the two

At this point it will be relevant to know as to what was the verdict of the people of Pakistan as a whole. The December election was the first chance ever given to the people during Pakistan's 23 years of independence to express their will on the basis of adult franchise. The masses in both the wings voted on the fundamental issue that as citizens of Pakistan they must get an equitable share of the national

The Awami League in East Pakistan told voters that the western wing was thriving on their riches: give us the vote and we will redress your grievances, we will bring back to you your own wealth

licly declare ouring his first visit tbat Mujibur Rahman was the future prime minister of Pak-

Sheikh Rahman and the Awami League on the other hand seized on the temporary adjournment of the national assembly—which had as its object facilitating talks among party leaders to pave the way for constitution-making with-in the house—to launch a massive

Sheikh Rahman was then pre-sented by the world press as de facto ruler running a parallel government in East Pakistan.

After March 2, Sheikh Rahman reversed his original stand that transfer of power could only take place through the national as-sembly. He now declared that he would not even go to the national transferred.

ing up separate constitutions. Did he really believe that these demands, if acceded to would have contributed to the solidarity

Party as a majority party in West Yet this sound nation of 120 million people today stands wounded, and prosperity of Pakistan? bleeding and abused by its own politicians and condemned by the world press as a nation of mur-derers, arsonists and rapists.

After the election, what was the duty of Sheikh Rahman and the East Pakistan has a majority of the population. The Awami League won all the seats from East Pakistan, which essured East Pakistan a majority in the assemblies and in the administration of the central government. It would have been but natural for Mujibur Rahman or any East Pakistani leader to demand a strong central government with a majority in its own right and with added chances of support from opposition parties and indepen-dents from West Pakistan to control the central government. He could have helped lessen the economic disparity between the two Instead, he insisted on a weak central government left only with foreign affairs and defense re-aponsibilities, and without suffi-

Under the Legal Framework Order, which all parties had ac-cepted and had campaigned by, the assembly had to frame a constitution within 120 days and, failing that it was to be dissolved say and the railings refugees in Indian camps.

This does not mean that the excesses committed by troops in the field can be condoned, but one also needs to understand that the West Pakistan Army is not a band of terrorists bent on loot.

The plain fact is that the people of East Pakistan were never and are not now for an independent "Bangla Desh." The next most important consideration is: What external forces have contributed to the development of this tragedy? This brings us to India's role and responsibility. the future of the refugees, and a long-term solution to the problems of Pakistan and India.

#### Gallup Poll

## 'Residual Force' in Vietnam Opposed 2-to-1 by Americans

Director. Americ

By more than a 2-to-1 vote, the American public votes against leaving a "residual force" in Vietnam after July 1 of next year. This issue could be a hotly contested one in the coming presidential election year. Rep. Paul N. McCloskey, R. Calif., who plans to challenge President Nixon in next year's Republican primaries in New Hampshire and California, has called for the complete withdrawal of U.S.

troops from Vietnam, leaving no "residual force." This contrasts with the position of the Nixon administration. The President's present plan is to keep U.S. military forces in South Vietnam long enough to give the South Vietnamese what

he terms "a reasonable chance to defend themselves against Communist aggression." According to an authoritative source, this could mean that it would be at least another year before U.S. troop strength is c ; to 45,000—the level the Pentagon wante to remain in South Vietnam indefinitely as a "residual

troop level maintained in South Kores by the United States in the nearly two decades since the Korean War. As of now, U.S. forces in Vietnam number 240,000. They are

force." This is approximately the

scheduled to drop to 184,000 by

Support for removing all troops is highest in the West (71 perdefiance of law and order.

essembly until power had been

Later, he demanded two constitutional conventions draw-

#### Yahya's Plans

It has also been alleged in the

world press that Yabya Khan and his military regime and West Pakistani vested interests had used the March negotiations as a ruse to bring troop reinforcements to East Pakistan for a final crackdown which was unleashed on March 25. Even if he'd had such diabolic plans, what was the duty of Sheikh Rahman and the Awami League in their position as leader of the 75 million people of East Pakisten? Is it not the foremost duty of a leader to save his people from bloodshed and destruction? Was Mujibur Rahman so naive that he could not see through these diabolic plans of the western wing for "the genocide of East Pakistan" or was he deliberately creating the situation? If he could not sec the possibility of the central gov-ernment's determination to maintain the integrity of the nation as a whole, then it is obvious that he was a mere political demagogue.

The central government of Pakistan had belatedly started putting forth the view that dur-ing 25 days of the Awami League's de facto secession, a reign of terror was let loose where Bengalis ruthlessly messacred non-Bengalis. It cannot be denied that when the army finally went into action it did so as a full-fledged military operation. The degree of the army's ruthlessness is still a matter of reporting based mestly on

murder and rape.

The writer of this orticle is o member of the Pokistani forcign service. He is currenty based in Paris ond uses I. Gondal as a pen name. He is the outhor of two books, "Amber ond Ashes" ond "Broken Imoges."

# By George Gallup

an Institute of Public Opinion PRINCETON, N.J., July 16 .cent), lowest in the South (54

A total of 1,501 adults, 16 and old.r, were interviewed in person to obtain the results of today's survey, which was conducted in more than 300 scientifically selected localities across the na-tion during the period June 25-28. The Question

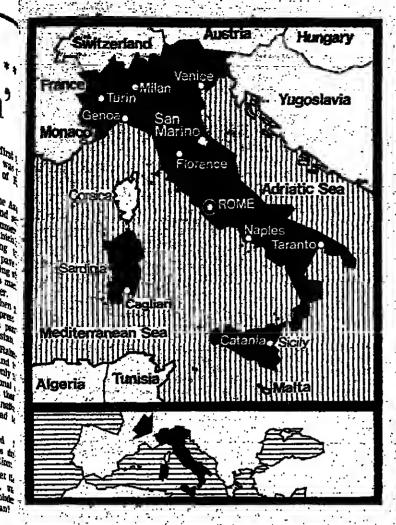
This question was asked:

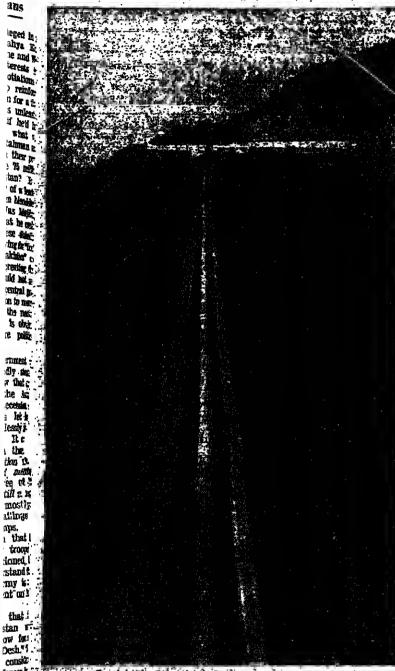
Suppose one candidate for Congress from your district said he favors getting ALL U.S. armed forces out of Vietnam by July 1 of next year. He is opposed by a about 50,000 troops there to help the South Vietnamese. Other things being equal, which candidate would you perfer?

The findings: Condidate Who Powers

Candidate	MIDO	1,3 AOL2	:
IIA II	Troops Out	Residua Force	0,0
NATIONAL	61	28	1
Republicans	56	33	1
Democrats	65	24	1
independents .	60	29	1
Under			
30-years-old.	66	29	
30-49 years	61	26	1
aver	58	28	1
sast	64	26	1
Midwest	60	31	
South	54	29	1
West	71	23	-
Men	60	31	
Women	62	25	1
College	61	31	
High school	61	30	
Y			

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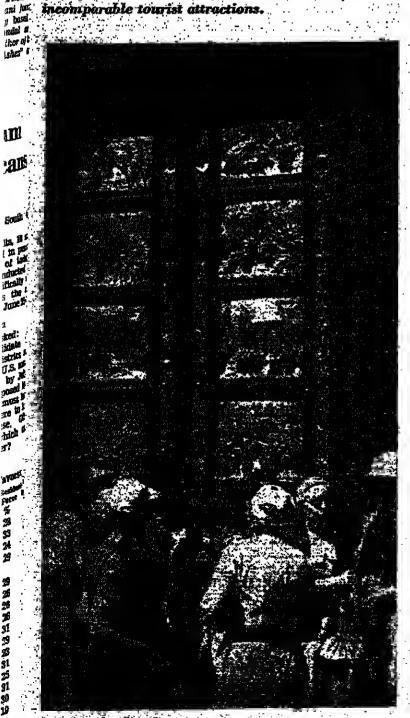
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NATIONAL ASSETS—Two key contributors to Italy's underlying basic economic strength are its first-rate highway network, which already compares favorably with almost every area of Europe and which continues to be improved, and its incomparable tourist attractions.





## Output Falls as Labor Battles Management

ROME.—The constant looking of horns that has characterized labor-management relations in Italy during the past year, and the subsequent walkouts by workers, has brought Italy to the brink of a recession, many observers feeL

Earlier this month, the Italian Minister for State Participation, Flaminio Piccoli, told a group of legislators, "The economic situation is currently at a low point never reached before now." Speaking before the budget com-mission of the Italian Chamber of Deputies, Mr. Piccoll said that a cause for particular concern is the decline in production since the fall of 1969 due to the frequent work stoppages resulting from a seemingly permanent bat-tle between unions and manage-

Even Budget Minister Antonio Glolitti, a Socialist, has laid a major share of the blame for Italy's present economic crisis squarely on the shoulders of labor and union activity. Address-ing the same legislative group few days earlier, Mr. Glolitti said that declining industrial production, under-utilization of plants and fewer hours worked throughout Italian industry during the first six months of 1971 have resulted in a "totally nega-tive" year,

#### Autumn Hopes

While Mr. Giolitis and other government and independent economists have been saying for several months that a true recession has not yet been reached, they also had been counting on a turnsround in the economy during the spring. Admitting that there is no hope for this now, Mr. Giolitti said that "all in-terest now shifts to September and what we hope will be the autumn revival."

The latest economic indicators clearly show that there was no spring rebound and that if anything the situation has gotten

Industrial production in May was 4.5 percent below that of the same month a year ago. That seems enough reason for spprehension. But even more alarming is that it continues a trend of declining production for the year. While the industrial production rate for the first three months of 1971 showed a gain over that of 1970 (a modest 2.2 percent), losses in April reduced the total rate for the four-month period to 2.3 percent under that of the same period in 1970. In May, the decline for the year dropped to about 2 percent.

The European Economic Community Commission, meanwhile, is forecasting an overall average increase of between 4 and 4.3 per-cent in industrial production for its members this year,

Mr. Giolitti also pointed out that plant utilization at the end of March had dropped to 78.4 percent from 81.2 percent of a year earlier. And he said the main reason for the decline was a reduction in the number of hours worked because of union agitation. This amounted to some 15.-000,000 work hours lost due to strikes during the three-month

But while Giolitti cautioned against blaming labor unrest for all of the nation's economic ills, he said that it would be as great a mistake to hold that the present lebor struggle isn't having a major negative impact on the

#### A Comparison

Today's chaotic labor situation is really a continuation of the "hot autumn" of 1969 during which Italy set a record among the six Common Market nations for time lost due to strikes. According to figures just released by "Organizzazione Industriale," weekly publication of the Italian Industrialists Association, during the period 1960-1969 com hined Italy lost more work days

oue to strikes than the other EEC members. And in 1969 it set a record of 3,013 days lost per 1,000 workers, about 13 times the total amount lost by the other member nations. The number of work days lost in 1969 in Italy amounted to 37,824,000 compared with only 2,656,000 days in the other five nations.

And while time lost due to strikes dropped from the 1969 high during 1970 and during the early part of this year, a new labor tactic-absenteeism-began to spread across the economy, hitting hardest in the important automotive industry.

At Plat, Italy's largest private

sembly lines averaged 12.5 percent in 1970 compared with an average of 4 to 5 percent three and four years ago. In man-power terms, that means that on an average day during 1970 about 18,000 workers failed to punch in at Fiat plants.

The company estimates that of the 35 million man-hours lost in 1970 about 30 million were attributable to absenteeism and only five million to strikes. That compares to 20 million man-hours lost in 1969 of which 12 million were due to strikes and only 8 million to "sickness."

In dollar terms, Flat put the

### The South: Mezzogiorno **Incentives Are Sweetened**

have been alluring to industrialists in Italy's underdeveloped South. But the country's enormous ed by the great gap in North-South development still exist.

What to do? Italy has decided to sweeten the scent, and a bill. before parliament now puts potential investors on the threshold of being offered incentives almost as enormous as the nation's social difficulties. Whether the new incentives will attract the type and amount of industrialization needed to overcome the Mezzogiorno problems is moot. The new incentives, however, are nonetheless attractive for industrialists looking for sites or who are seeking financial incentives with which to ex-

Here is how the new provisions

Government grants will total a maximum of 30 percent of a project cost and 40 percent for pur-

chase of machinery produced

within the Mezzogiorno. The cur-

rent limits on such grants are 20

120

115

WHOLESALE PRICES OF INDUSTRIAL-GOODS

are outlined in the legislation, whose approval is virtually cer-

For investments of between 400 million and nine billion lire (\$670,-000 and \$15 million), the incentives will be established by CIPE on an ad hoc basis. The maximum incentives will be allowed only on those projects that will solve more pressing social problems, such as

depressed, will be eligible for the

nancing of up to 50 percent. In

areas not considered depressed-

as defined by the Interministerial

Committee for Economic Planning

(CIPE)-the grant will be limited

to 20 percent, but the amount of

financing will remain at 50 per-

developing depressed areas. Investments of over nine billion lire (\$15 million) will receive a maximum of 50 percent in financing but only 12 percent in grants. For such investments, CIPE would negotiate each project indiv-

All the loans will be for a period of 15 years for new plants and ten years for expansions and modern-(Continued on Page 9, col. 1)

COMPARISON OF THE COMPETITIVE POSITION OF ITALY

AND OTHER MAJOR COUNTRIES

Indices 1961 100

cost of these phantom workers at about \$24 million annually.

There are many theories on the causes for this sharp increase in absenteeism. One often heard is that because of the salary gains made since 1969, more workers can afford an extra day off. Proponents of that theory point out that the "liness rate" increases the day before and the day after a holiday.

Another theory holds that because workers are now guaranteed 75 percent of their wages when unable to work because of sickness, many are finding it profitable to get second jobs to help make ends meet in the expensive industrial North.

Whatever the cause, the result is another blow to industrial production and another boost to the already rapidly rising cost of labor in Italy. In fact, union pressure over the past 18 months has sent average hourly wages up over 18 percent in the past year by official government figures. Confindustria, the Italian busi-ness confederation, claims the increase in labor costs is over 40

No matter which figure you accept, the thing that appears clear that wages and related labor costs in Italy have risen more than anywhere else in Europe. That has resulted in higher prices which in turn make Italian goods less competitive in foreign

#### Hotels' Woes

Italy's foreign trade balance is already deep in the red and getting worse. The 1970 deficit was the highest since 1963 and shows no signs of improving in 1971. Ordinarily, tourism, Italy's largest source of foreign income would make up for any trade deficit and yield a payments surplus. But this year the tourism industry is having its own prob-

Giuseppe Galli, head of the Italian hotel association, recently proclaimed the tourist industry was in crisis and offered three reasons—labor unrest, pollution and increased prices. bookings for the first three (Continued on Page 3, col. 1)

Italy is reaching or has reached a low point, and things must soon reverse themselves... Toward fall things should look up again.'

MONDAY, JULY 19, 1971

An American Investor

ROME—In spite of a production crisis that has thrown the Italian economy into its deepest and most sustained postwar slump, there is widespread conviction here that the decline has bottomed out and recovery is nearby. It is hoped that recent major labor settlements and emergency measures by the government will give the economy the adrenalin it has wanted for 18 discouraging

It is generally agreed that what is needed is a change in the prevailing mood of political and social uncertainty in Italy. Businessmen, wary of mounting costs and declining profits, have increasingly shied away from new enterprise, and there are no clear signs that this widespread cautiousness is to change.

Alongside its Common Market neighbors, the recent performance the Italian economy has been decidedly poor. Italy was the only sec member-nation that did not record any increase in consumer spending or business activity during the first quarter of 1971. Production was down by 2.5 percent, and in some industries, such as the critical construction business, unemployment has spiraled

Some of Italy's biggest enterprises have seen their balance sheets plunge into the red. Net income of the Fiat company plummeted by 60 percent last year, largely, says the company, because of a drastic drop in production caused by strikes. Lengthy contract negotiations during the spring produced a new contract for the huge auto maker, but an interim report on its 1971 production shows that it is lagging again, by 2.5 percent compared with the first months

#### Tourism Loses Steam

Italy's big tourist industry, while not seriously declining, seems to have lost its steam. Resort hotels along the Adriatic coast report stackened bookings for the first time in years. Hotel owners say the northern Europeans who usually flock south for the sun seem disturbed by reports of strikes and pollution, and are opting for holidays in more tranquil settings.

Faced with this landscape of stagnated business and dis-couraged entrepreneurs, Christian-Democratic Premier Emilio Colombo recently announced a series of government emergency measures designed to boost flagging production. The costly (\$339 million) emergency package is aimed largely at helping small and medium-sized firms through credit assistance and reduction of social security payments.

The Colombo government, in spite of being one of the longestlived in the postwar period, does not enjoy widespread confidence, mainly because of the deeds of its predece

Italy has a monstrous public debt that puts strict curbs on the government's ability to seek public funding. Most public agencies show huge deficits. The state railway, for example, operates with a deficit of about \$560 million a year. The state electric company ENNEL loses about \$240 million a year, and other agencies—post, telephone, and navigation—show similar losses.

#### Mixture of Politics

Although Mr. Colombo has succeeded in strengthening the lira and cooling Italy's rampant inflation, his four-party coalition has foundered in its attempt to pass urgent social reforms. Mr. Colombo's reform package weathered months of negotiations with the three major union confederations, but has languished in parliament for

"The responsibility for this (economic) situation falls on the Colombo government, which lacks an authentic reform strategy." says Republican party secretary Ugo La Malfa. Another politician, Social-Democratic Undersecretary of Industry Giuseppe Amadei, says: "The economic crisis is due completely to the political situation in the country. I'm not for a stronger government, just for a government that governs."

Some have claimed that the alarm over the economic situation

is purely a political gambit. Says Vito Scalla, a Christian Democrat who is general secretary of the CISL trade-union confederation, "The data do not justify this alarm and pessimism, which is being published for obvious reasors: It is hoped to cause panic in all the spheres of the Italian bourgeousie, to win their support for a reactionary movement."

Nevertheless, figures released by ISTAT, the Italian government statistical institute, paint a gloomy picture of the state of the economy. Overall manufacturing production was down 4.1 percent during the first two months of 1971, compared with the same months of 1970. Building materials production had fallen 13 percent, and transportation and shipbuilding were down 9.7 percent.

#### **Small Businesses**

In 1970 over 1,500 small businesses (less than 200 employees) closed completely or were absorbed by others.

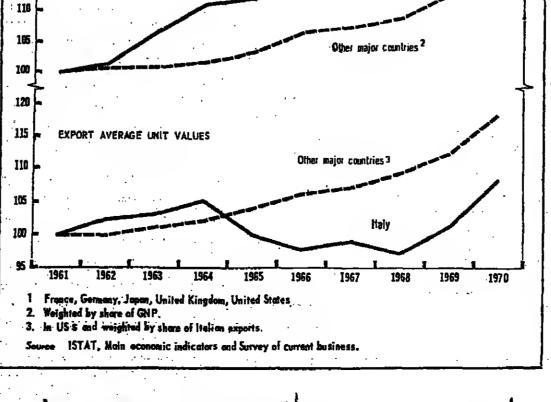
Micola Resta of Taranto, head of the National Small Industry Association, says bitterly, "We haven't increased our employees (skilled laborers prefer to work in the large concerns, where contracts are usually more advantageous) and our plant usage is Rardest hit had been Italian construction, and within that

industry, small and medium-sized enterprises have suffered most. In March, the builders' association of Lombardy surveyed its members, and found that 484 companies that a year ago had employed 34,182 construction workers now employ 19,953, only 58.3 percent of the previous year's total In the country as a whole, there is fear that unemployment

in construction may reach one million. Even the most optimistic estimate, that of Labor Minister Carlo Donat Cattin, foresees 80 ta 90,000 men out of work. The steel industry has fared no better. Officials of Finsider

report that in spite of an increase in production capacity, production has fallen off badly, remaining 20 percent below the expected total "We accepted union terms in 1969 in hopes that a production increase would absorb most of the added costs. Instead, continuing

agitation and absentesism have made it impossible to maintain the production levels," said one angry steel company official, Luigi Preti, minister of finance, lays blame for Italy's shamp squarely on labor. "Production can revive only if this (labor) ten-(Continued on Page 3, col. 5)



By Stuart Troup ROME.—The sweet scent of tax percent and 30 percent, respectively.

along with the natural resources of space and manpower indeed lion and 400 million lire (\$166,000) lion and 400 million lire (\$166,000 to \$670,000), if they are made in

#### **Output Falls** Because of Labor Unrest

(Continued from Page 7) months of 1971 were 15 to 20 per-

cent below last year, he said. "The violence and strikes that have recently become the fashion in our nation certainly have not encouraged the foreign tourist," be explained

He also pointed out that prices in Italy have increased between 10 and 20 percent in the past year, mostly as a result of increased labor costs.

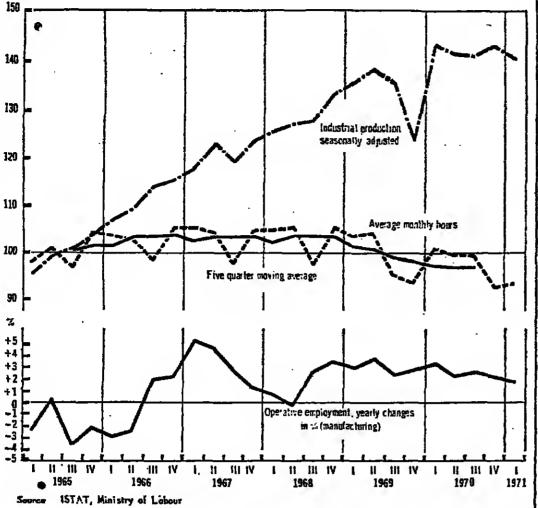
Giuliano Magnoni, president of

the Italian Federation of Travel Agents, said recently that Italy has become the most expensive country to visit in the Mediterrancan area. He said Spain was 25 percent cheaper than Italy and that Yugoslavia end Greece were up to 50 percent less expensive. And the nation's 220,000 hotel workers were out again this month seeking higher wages and fewer hours. Labor Minister Carlo Donat Cattin personally stepped in to settle the dispute. The agreement may cost hotel owners as much as 35 percent in wages for the major botels and as much as 100 percent for smaller ones. Mr. Donat Cattin has scored one major labor victory this year. Last month, his direct intervention led to a compromise agreement that ended a strike hy some 180,000 Flat automotive workers, which had threatened to develop into a nationwide metal workers walkout.

Fiat estimates that increased wages and fringe benefits as a result of that settlement will cost about 45 billion lire (\$72 million) annually, but expressed astisfection with the settlement. The company estimated the unions' original demands would have cost more than double and further reduced plant utilization by eliminating some shift work.

Settlements of this kind have pushed Italy out of the chesp labor market and many foreign investors are now putting their money in countries such as Spain, Portugal and Greece.

Attempts by President Giuseppe Saragat and Prime Minister Rmilio Colombo to get labor leaders to slow their demands and get back to work to restore production have met with little success. And many observers see little chance for improved labor-management relations in the near future. Unions have never been stronger and seem in no mood to give up any of the power they have gainOUTPUT, AVERAGE WORKING HOURS AND EMPLOYMENT IN INDUSTRY Quarterly figures



ed since 1969. It was only during the "hot sutumn" that they discovered they had any.

The staggered, or "hiccup" strike as it is known, which Italian unions have used with such efficiency, was born because the union had no strike funds and its members couldn't afford to lose more than a few hours wages at a time. It was only later that they discovered that "hiecup" walkouts were just as disruptive to the employer but prevented him from closing com-

Strikes have seemingly become a way of life in Italy and the unions heve raised their sights from simply winning direct economic gains for their members to pressuring an inefficient government for more low-cost housing. better medical care and other social services.

Unfortunately, it is doubtful that without such pressure the government would be moving to-ward resolving these problems, Therefore, many union leaders, even the more moderate ones, have taken the attitude that their strikes are doing the nation more good than harm and they see no reason to curtail

The problem could become more acute if the three major unions agree to merge—a possibility they are discussing now. Italy's second largest union, the two-million-member CISL, recently officially came out in favor of such a move. This Christian-Democrat-orientated union, until 1969, had been opposed to a merger

with the Communist-led CGIL and the Socialist-Republican UIL for fear that the larger CGIL, with 2.5 million members, would gain control of the new labor

The unions are already a strong political force in Italy. Merged into a single body, they could paralyze the nation with a single

In his discussion with the budget committee of the Chamber of Deputies, Minister Piccoli noted this fact and appealed to the unions to balance their demands against the needs of the nation. He warned that if the present economic system based on free competition had neglected too many social needs "it is not by destroying that same economy that one increases them."

## Despite a Deep Slump, Hopefulness Remains

sion can be reduced." he said, citing the loss of 18 million workdays in 1970. "We can't period ourselves the luxury of going on like this. After two years of squabbling, we must find some point of agreement between management and labor, to give back to our country its supremacy in European productivity."

Labor Costs Climb

Labor costs in Italy jumped an average of 12 percent during 1970. Industrial salaries rose a minimum of 11 percent in sectors where labor contracts were not up for negotiation, to 21 percent in others. They rose 27 percent in some metalworking plants, and 33 percent in parts of the chemical industry.

Prices during the first two months of the year incressed 3 percent, a figure which had been established as the maximum acceptable for the entire year.

"And people buy less," says Giuseppe Orlando, president of the Milan Merchants' Organization. In the food sector in January, compared with the preceding year, sales were down 2.5 percent. Meat sales fell by 6 percent, and clothing by 2.5 percent.

The wholesale price index jumped 5 percent in the first two months of 1971, and the consumer index went up 5.1 percent, according to ISTAT. Labor cost increases have also hurt Italy's competitive advantage on foreign markets. First cars, for example, have jumped almost 20 percent in price in England and France

Both Flat and the buge Zennssi appliance company signed major

contracts with unions in June, but a series of nagging strikes by the country's 160,800 hotel employees, and walkouts by rail and textile workers have clouded the hopes of officials seeking a healthier atmosphere of labor relations. Many observers saw the big gains made by right-wing politicians

in recent regional and city elections as a slap at union egitation that should cool down labor's demands.

The unions say they have been forced into assuming a widened political role because of the ineffectiveness of political parties. They have expanded their field of action from the bread and butter issues of wages and work conditions to the broader plain of social reforms. Nevertheless, the effect of their agitation remains the same: to create a general mood of uncertainty and cautiousness on the part of management.

#### Problem of 'Disillusionment'

Bank of Italy officials say that it is crucial to conquer the widespread uncertainty felt by investors. (Italian economists heve termed the problem "dislitutionment of entrepreneurs.")

"It derives from both concrete facts and emotional reactions," said Franco Mattel, director-general of Confindustria, recently. "It is impossible to utilize completely and rationally existing plants. It is said that costs have become umpredictable, and it's true... A businessman cannot know from one day to the next if the handicap he carries is the same or different from that of others,"

Officials estimate that there is available immediately about 3,000 million lire (\$4.8 billion) in liquid capital, needing only requests for financing by companies with good prospects. Why are

Reason for the current investor reluctance is the imminence of favorable new tax legislation that would put Italy on a valueadded system. Many investors are epparently standing aside to see if the reforms, which would begin Jan. 1, are passed by parlia-

A major fear of investors—in particular foreign capitalists—is that once you go into business in Italy, you can't leave. A

German businessman whose clothing factory near Milan has been occupied intermittently by strikers through the spring says he hopes to move his plant, machinery and all, to Yugoslavia, Poland, or to Czechoślovakia, where labor is less costly and less troublesome. But before he leaves, he will face heavy severance payoffs to most of

Labor, however, does not carry all the blame.

Renzo Di Piramo, 46, who heads the Olcese-Veneziano Tertile Co., sees structural flaws in his industry, one of the most depressed.

#### Too Many Small Companies

There are too many small companies," he says "The state intervenes with protectionist measures that save them till the last hour, and holds them on their feet even when they are not economical." Inefficient firms and old equipment, he says, should be retired, to put the textile industry on a competitive footing with

The head of the Bank of Italy, Guido Carli, who during his-11 years in office has had considerable success with "fine tuning the economy to keep up the brisk tempo of Italian economic growth." said in his annual report that fiscal and monetary measures have lost their usefulness in treating Italy's "wounded economy."

Political and social uncertainty," said Mr. Carli, "are forcing the economy into a state of permanent alarm. The system is in no condition to react to relary increases with either rapid proces of rationalization or with a large increase in investment; new enterprises are stagnated."

#### A Bright Spot

One bright spot has been a sharp improvement in Italy's belance of payments situation, which in 1969 was so serious that government reserves fell by \$1.4 billion, But 1970 brought a \$356 miles lion surplus, and the country has registered a \$361 million surplus during the first four months of 1971.

The improvement is due mainly to a sharp change in capitalmovements. Government restrictions imposed last year on cur-rency flow out of the country account for 85 percent of the cutin capital outflows. In the first-half of 1970 "swiss suiteases" tooks \$664 million out of the country, but when the Colombo government put controls on their re-entry into the country, the figure felt to 3288 million, and Bank of Italy officials see continued improves

High domestic credit rates have also meant that less investment has gone abroad. And the boom years of the unit trusts like IOS are over, which means that more money stays

The early months of 1971 also saw an improvement in the export/import balance, with exports increasing 13.3 percent, and imports rising by 10.2 percent.

Foreign investors seem warf of investment in Italy. Although the picture is clouded by counterbalancing investment in large industries, there is a reluctioned to take chances in the prevail. ing uncertainty in Italy. One economist said, "There are signs that foreign investors are studying, with ever greater frequency, the possibility of investment in Yugoslavia, or even in Romania."

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Many American investors remain optimistic. Says one investment bunker, 'Italy is reaching or has reached a low point, and things must soon reverse themselves.' The elections were very important in bringing a more serious mood about laker questions. Over all, there is reason to believe that the Flat settle-ment indicates a willingness to seek reasonable settlements. Toward. fall, things should look up again."

# THE YEAR OF THE OIL

When ENI got started back in 1953 it owned natural gas producing areas in the Po Valley but its oil production was nil, for all practical purposes. So ENI had to go out and look for oil in Italy and foreign countries.

Today the crude oil reserves of the group amount to over 3 billion barrels, by far the greatest part of which are in foreign countries. The group also has about 5 trillion cubic feet of natural gas reserves in Italy.

But the demand for energy is rising rapidly in Italy like in all highly industrialized countries. As a state-

owned company ENI has particular responsibilities in making sure that fuels for the country's needs are available at the lowest possible cost—Italy cannot afford to have its industrial products become uncompetitive on the world market.

While Italy is already a pretty big producer of natural gas, any future potential for increasing reserves will require diligent exploration efforts the outcome of which no one can foresee. ENI is therefore becoming one of the world's biggest importers of this fuel, having already

drafted agreements for Libvan, USSR and Dutch gas supplies amounting to some 9 trillion cubic feet in 20 years.

In all these consi-

derations on fuel supplies, both cost and reliability of supply are of foremost importance. This is not only true for ENI and Italy, but also for Italy's neighbors of the Western European countries, which together form the world's largest market for imported oil. Each of the countries of Western Europe depend so heavily on imported oil that any disturbance on the world oil market becomes a crucial internal economic problem.

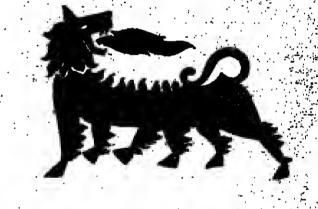
During the recent international oil-pricing negotiations in which the consumer countries did not participate, no guarantees of either price or supply stability were given to those who will have to pay for the oil in the end. Now is the time for them to get together and negotiate directly with producer countries on the bases of their reciprocal economic interests. The consumers need price and supply stability. The producer countries need technical and commercial collaboration for progressive and enduring economic and social development. It would be logical for consumers and producers to meet on a common plane to supply each other's need reciprocally and

The 12 refineries (6 in Italy and 6 abroad) in which the multinational ENI group has interests used over 208 million barrels of crude in 1970. The group is also readying to build two new foreign refineries (England and Zambia). Demand for products is rising everywhere. So even though the group's production figures are pointing upward sharply in the Middle East, Africa and the North Sea, the search goes on in 21 different countries over an aggregate extension of more than 268 million acres to further diversify sources of production and increase

To facilitate and expedite exploration over this vast area ENI has made many specific joint venture arrangements with numerous private and national oil companies regarding individual leascholds.

Although ENI itself is a state-owned holding company its operating affiliates are all stock companies, corporations competing openly for markets in Italy and abroad.

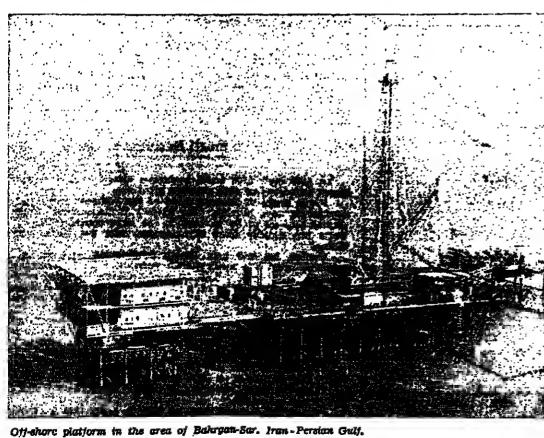
The ENI group is tightly integrated in all sectors of the petroleum industry, from exploration to drilling, refining and marketing, from engineering to plant construction and process control systems, from petrochemicals to rub-



her, fertilizers, plastics, fibers, textiles and apparel manufacturing. Consolidated gross sales (143 companies) in 1970 were \$2,562 million and fixed assets totaled \$4.676.8 million (51% amortized). New investments in 1970 were over \$725 million and writeoff for depreciation and depletion totaled more than \$304 million. At the end of 1970 group paid in capital consisted of \$758.24 million from the State (on an authorized appropriations investment of \$1,246.2 million) and \$198.88 million from private stockholders. Long-term debt was \$1,023.2 mil-

#### OIL FIELDS IN WHICH ENI HAS INTERESTS

ITALY % Interest	NIGERIA STaterest
Gela 100	
Ragusa	Shocha 50
	240000 more and 00
EGYPT.	Okapai
	Akri 50
Belayim 50	
Abu Madi (gas) 100	Ndoni 50
	Manager St.
ENGLAND (N. Sea)	Manuso
Hewett, Dotty,	
Deborah, Della (gas) 8,13	NORWAY (N. Sen)
Josephine 15	
	Cod (condensate) 5.22
IRAN	Brofisk 13.94
	W. Broffisk
Bahrgan Sar 50	
Hendijan 50	QATAR
Nowrouz 50	Maydam Mazam 20
Doudron 50	idd ei Shargi
Rig 50	IGG et brige Ry annaggeben Bet
Shurom 50	
Rostam	TORIBLA
Rakhsh 16.67	En Borssa 30
	The second secon
LIBYA	ARREST AND THE STATE OF THE STA
	CONGO (Bring)
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## The South: Mezzogiorno Development Incentives Are Sweetened

(Centioned from Page 7)

testions. And a clause is expected to be introduced into the law to allow a grace period of three years before the first installment would

The interest rates, to be fixed by the Treasury Ministry, are exted to be between three and five percent amually, and lowerrates are expected for small and medium-size companies.

#### Tax Holiday

An incentive, too, will be a 25 percent reduction in social security payroll charges to companies int ; settling in the Messogiorno. Cur-And the new law will not change the 10 year tax holiday for new investors or to those withing to ione expend.

en i - A move that will help speed the nt he needed for industrialization in the so the also has been written into the legislation: That all stateowned companies must locate 60 to 80 percent of their new plants in the Mezzoglorno, and not less vestments—including modernizafacilities by the end of 1975.

I sur A number of private and state companies already have finalised their investment plans to take full a come serventage of the new incentives. on the For example, First will build 13 the points in the Messogictic with an by investment of 250 billion live (\$409) vermes million), which is expected to The it provide 20,000 new jobs. Pirellitire plans to invest in four new plants, to employ about 4,000 workers, with an investment of 54 billion. nit has live (\$90 million).

S. Th Olivetti expects to spend four billion lire (\$14.5 million) for a piant expansion at Pozzuoli, to create 400 new lobs, and 16 bil-Hom lire (\$36 million) for a new plant to employ 1,600. Further, the lithme giant state holding company IRI n my plans to invest by 1975 2,800 bil-per, fron live (\$4.2 billion) in the Merne se regiorno, including a major steel complex in Reggio Calabria.

#### Cassa's Role

e inc

The role of the Cassa Per H Mezzogiorno, meanwhile, which has been the official governmental body with responsibility for develoring the South's industry, agri-culture, fourism and infra-structure, will be modified by the new legislation. The Cause will finance only these infrastructure works closely related to industrial development, such as airports. shipping facilities, transportation. and communication netwicks. Over responCassa, however, still will be to supply financial assistance to in-dustrial investors, and it will have 7,000 billion lire (\$11.3 million) available for investment over the next 10 years. And the Institute for Assistance in the Development of Southern Italy (IASM), a pri-vate consultancy body funded by the Cassa and other agencies, will retain its role of advising potentiel investors on plant location, available incentives, and providing solutions that fit their financial

It all adds up to a pretty equation: investment in the Mezzogiorno results in space, manpower, tax holidays, state grants and soft-loan financing. None of that, however, necessarily spe profit, and IASM points out that it has a special stake in providing tellor-made solutions for investors because everyone loses—Italy, in-dustrialisis, financiers and employees if the investments fail.

#### North and South

Still while beginessmen may be able to reap a harvest of investment discounts and natural resources in the Meraogiorno, Italy's prime purpose is to narrow that great gap between the over-industrialized North and the wanting Bouth. And in the new legislation there is a provision to discourage further investment in congested areas. Companies that invest over 400 million lire (\$670,000) in cer-(to be determined by CIPE in ac-cordance with criteria set forth in the law) will be fined one million live (\$1,660 for each worker over the first 100) bired after the effective date of the new law. The money from the fines will be used by regional authorities to construct schools, hospitals and parks.

Some companies, including Alfa-Romeo, have voiced opposition to the upcoming measure to discourage investments in crowded areas. They claim that companies discouraged from investing in the North will not necessarily move to the South. The government has remained unconvinced and it is doubtful that the parliamentary dustrial reaction. The restrictive measures It has been also noted; will apply to few areas in the

The other efforts, meanwhile, in the program that has been going on for some time to attract indus-Hitting of the labor force—will con-

#### 4% Sold Abroad

## A Great Wine Producer, But Only a Small Exporter

NEW YORK (UPD.-hely is the largest wine producer in about 2 billion gal-

Dr. Italo Polomari, export man-

Dr. Folomari a trim darkhaired man, awished a glass of red wine and sected the crease in his tan troughs before answering Maybe we've been negli-gent, he said with a smile, but I'm here in Munhattan to cor-

h best known in the United States by its straw-covered bottle, will spend "subin coming honths to premote Veronese

While he declined to reveal the advertising budget figure, it has been estimated at \$250,000 and grentually will be much more when the ad campaign, mostly spot television, is spread around other U.S. cities. Veronese wines have been the single fastest growing segment of the Italian wine

Late in June, Dr. Folonari spent two working weeks in New York to lay the groundwork. Even belere he arrived Schieffelin & Oo, New York distributors for Ruffino, met a full day with 1,000 key sales people at a Kennedy Airport instal.

and manufacturing needs all

the most significant invisible in-centives to investment in the mently, JASM is one of south of Italy, especially for for-

tain congested areas of the North

tinue under the new program. Ten

ing Italian brands in a country burgeoning with good domest ed their table-wine sales 13 per cent : (77,690,816 gallons over the National Association of Al-

"Yes," said Dr. Folomari, "the growth in wine drinking makes room for all wines. And the U.S. in his testes. He knows that Italy produces more than Chian-

"It may surprise rorise you," Dr. "that our house Folomeri said, alone exported last year to the so-called capital of wine, 22,600 cases of wine, I will not be satisfied until every country in the world knows about our wines. Neither will my father, who thinks he is the boss, and

Dr. Folomari seems to be on a sound marketing track. Wine consumption in the United States has been rising for five years. Imported still Italian wines for last year have jumped in sales by 26 percent (2,942,717 gallons

Italy, sensing this trend, is trying to cash in Two million of its 54-million workers are directly concerned with producing wine. Twelve major educational institutions in Italy offer degree - level . courses in englosy. the wine science. At Siena, in the Medici cellars, the Italian wine institute and its master testers of 400 domestic wines plan ways to convert their grapes into for-

The principal function of the schools have been established by students a year. The courses are the Cassa Per Il Mezzogiorno to train mechanics, machine operators and other skilled operators. And there have been these devel-

 The Ministry of Education has created 200 industrial professional institutes in the South to train about 30,000 school dropouts each year. Courses cover the usual range of basic technical training in such areas as electromechanical and radio technology.

• The Ministry of Labor bas provided short-term technical industrial courses for almost 30,000

operated in cooperation with local industry and unions and they cover the range of basic industrial skills designed to fill local indus-

• The Cassa and the Institute for Industrial Reconstruction have sponsored the major type of industrial training found in the South. The 10 aforementioned schools have been established to fill the great demand for highly skilled and competent technicians required by the increasingly complex industries investing in the Mezzogiorno. The training centers

are in Naples, Bari, Taranto, Chieti, Gagliari, Caserta, Syracuse, Crotone, Reggio Calabria and Latina.

Although control of the train-ing centers is under the authority of the Cassa, control of them is shared with local industry and local and national industrial associations, with the cooperation of local chambers of commerce and local town comedis.

Also, the Cassa helps finance crash courses for workers at new factories or where retraining is sary because of the introduction of new machinery

#### Manpower

While the caliber of the labor certainly has needed the uplifting it is receiving, the quantity of manpower in the underdeveloped South is unequaled in Europe. And the oversupply of manpower is expected to increase during the next 20 years while in the rest of the Common Market the labor attuation is likely to become tight.

The immense size of the surplus labor force, of course, dictates a low cost of mannower to investors. According to Italy's economic unit, the average

gross hourly wage in manufacturing in 1967 (the most recent year for which such figures are available) in the Common Market shaped up this way: Mezzegiorno

\$0.49, Italy \$0.71, France \$0.85, the Netherlands \$0.98, Belgium \$1.04, West Germany \$1.17 and Luxembourg \$1.20. As Carlo Turco of IASM has put it: "Manpower is the major asset in Italy... Secondly, there is the availability of space and many locations to choose from.

And from this available space,

hand, is quite costly."

Central Europe, on the other

way network unequaled in Europe. The autostradas now make it possible to ship by road from the toe of Italy at Reggio Calabris to the Mont Blanc tunnel within a day. Added to Italy's already modern railway system and the ease of sea shipping, the road network makes the transportation picture a healthy one.

Now the question is whether all of these investment incentives will lure the kind of industrialization Italy feels it requires to eliminate the social and political problems caused by the North-South gap.

# Iransport Wer Engineering

## Transport, power, engineering: the three major industrial activities of the Fiat group.

Cars, light and heavy commercial vehicles, city buses, express coaches, agricultural tractors, earth-moving equipment, tractor-trailer units, Diesel locomotives, railway coaches, trams, gas-turbines, aero-engines, nuclear power, automated marine control equipment. Aeronautical research and equipment (Aeritalia). Large Diesel engines (Grandi Motori Trieste). Vast civil engineering projects and public works (Impresit): roads, motorways, dams, hydro-electric power plants.

## **Italy**

## An Analysis of the Economy by the OECD

pansionary trend of the Italian economy has now lasted nearly two years. The growth of the national product has been very slow since the summer of 1969. Industrial production recovered sharply in early 1970. after a big fall due to massive strikes, but has marked practical-

ly no progress thereafter.

The origins of the virtual segnation of output were not of a cyclical nature. Recurrent work stoppages were initially the main factor preventing an insee of production. But the

THE FOLLOWING appraisal is taken from the annual review of Italy made by the Organization for Economic Cooperation and Development. The report was made public last Friday.

developments in incomes, costs and external transactions has created a change in the economic situation in the first half of

productive sector still constitute an obstacle to appre creases in output. But signs of

italian

FINSIDER GROUP - Roma

All the products of the steel industry

iTALSIDER - Genova

Hot rolled strips, plates 3 mm., electrolytic tin plate, galvanizad sheets welded beams, rails, wheels, high carbon street special plates.

DALMINE - Milano
Scamless and wolded steel pape for any industrial and divit purposes

TERNI - Roma

BREDA SIDERURGICA - Milano

Special steels - structural steels, hot rolled steel, cold drawn products, peeled calibrated products, steels for special purposes.

MORTEO SOPREFIN - Genova
All types of steel containers, guardinaits, greenhouses, prefabricated metallic pavilions, liquid gas cylinders, lubricant drems.

SOCIETA ITALIANA IMPIANTI - Genova Consulting design and construction of industrial plants. Head Office 2 General Management - Piezza Piccapietra, 9 - 15121 Genova

· SIDEREXPORT - Genova

steel

to the economic cycle and of increasingly numerous, pointing to some risk of a cumulative deflationary process. Non-agricultural employment continued to rise until early 1971, partly because of negotiated reductions in the working week. It could be unfavorably affected during the rest of the year if, on top of the foreseeable decline in the labor-

other demand components and in particular business investment were to weaken further.

#### Difficulties.

Economic policy is thus faced difficult tasks. Policy formulation has not been easy over the last year and a half, when economic trends changed frequently, social and political uncertainties prevailed and considerable strains developed for a time on the balance of pay-

One of the important achievements of policy in this period was the considerable expansion of investment of both general government and state-owned enterprises; this helped to sustain total investment and, in the early months of 1971, was probably one of the few huoyant elements of aggregate domestic

Monetary policy was tightened up to the summer of 1970 (thus making difficult the situation of smaller firms who could less easily absorb the large wage increases) because of a disquietspeculation against the currency After the successful reversal of the outflow, partly by means of large borrowing ahroad by public institutions and enterprises, monetary policy was progressively

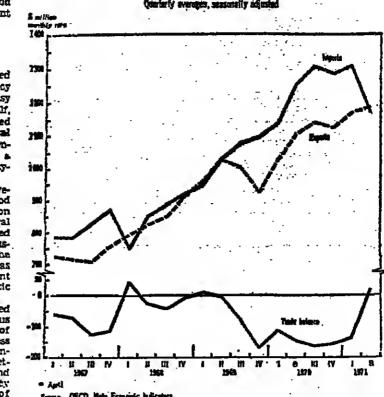
The package of fiscal measures of August 1970 had an immediate favorable influence in restoring confidence in the currency. Its net demand impact was . . . probably more restrictive than intended. At the beginning of 1971, on the basis of forecasts of relatively strong private in-vestment demand and of an early upswing in production, the government fixed certain limits to the permissible deficit of the

However, their economic justification disappeared as the weak-ness of private domestic demand became progressively clearer.

At the time of writing, the authorities are considering the adoption of a package of refla-tionary measures [See addendum] Certain decisions have already been announced—e.g., steps to counteract the decline of activity in housebuilding - but recent developments seem to call for determined expansionary action with relatively quick effects. Apart from the need to prevent an increase of imemployment, such a policy seems clearly appropriate on purely economic

#### Payments

The current balance of parments is probably in surplus and the large increase of official



reservee provides a margin for adjustment of demand management te domestie regulre-

Prices will inevitably continue for some time to reflect the earlier large increases of costs. But recessionary developments would hardly contribute, except temporarily, to dampen price inflation. On the contrary, stimulatory action simed particularly at encouraging private investment seems the best way of reducing gradually tha pres-

The present margin of unused resources suggests that reflation might be general But looking beyond the immediate future, there is clearly great need for discrimination in favor of steps that encourage productive and social investment, help to reduce costs and limit price increases and create increased employment

Moreover, it would be desirable that some of the expansionary measures should be easily reversible. In order to achieve their purpose, the selective stimulating measures would have to add up to a relatively important ag-gregate impact and exert their effects rather quickly. The early announcement of definite deci-sions in this field would, by itself, have a favorable infinence, because the expectation of new measuree has apparently held back certain business decisions. [See addendum at the end of this article].

#### Objective .

The first objective of a selectite expansionary policy would seem to be the maintenance of the recent rising trend of investment by the government, public agencies and state-owned enterprises. Investment plans of state enterprises for 1971 are, indeed, so large that special efforts may be needed to implement them in time. On the other hand, so long as private demand remains weak, increased recourse to government borrowing will be justified to finance additional public expenditure, not only for investment and capital transfers, but also on current account

It would seem advisable to postpone, for the time being, any increases in public tariffs and government-controlled prices. The recent reduction of taxes on oil products to offset the rise in world market prices suggests that the authorities are prepared to act on these lines. The freezing public tariffs will probably need to continue during the early months of 1872, and to be accompanied by special measures of risk that the change next January to the value-added tax may provoke unjustified price in-

#### Private Sector

Apart from the direct influence of the public sector, measures to support private investment activity could be considered. Under present circumstances, their hud-getary cost should not be compensated by means which would implage on private incomes and demand. The temporary reduction of employers' social accurity contributions and an immediate cut of the transaction tax on investment (anticipating the results of the switch to the value-added tax) are apparently among present the advantages of being simple, having quick effects, and reducing pressures on costs and prices. According to earlier. Italian experience, changes in sociol security contributions could should this be warranted by the

So far as monetary policy is concerned it is demand for credit rather than its availability which is weak. Nevertheless, further special measures might be feasible to incilitate finance of housing and of small enterprises. But the general level of interest rates cannot be allowed to decline to such an extent as to create parters.

state of the economy.

new incentives for capital out

The government is, currently. preparing important structural reforms. These include a reshaping of the tax system to come into force in 1972, basic changes in house-building legislation, an overhaul of the Health Service development in the South.

Some of the legislation is al-ready in course of parliamentary approval and it is to be hoped that these extensive reforms will become effective as soon as possible. Their importance in helping to correct economic disequilibria and to solve scute social problems needs hardly to be stressed. In addition, early decisions on these plans would reduce some uccertainties affecting business investment plans and should have a favourable infinence on the social climate.

#### Demand

The present phase of relatively weak domestic demand provides a favorable opportunity for the application of reform measures which apart from their other consequences, involve certain ins of public expenditure. These reforms, however, will absorb in the future an appreciable volume of resources. Additional supply to satisfy increas-ing individual and collective claims requires that the process of economia expansion be

The underlying potential of the Italian economy is probably considerable, with the balance of last year's surplus despite the special strains and difficulties).

No economic system, however, can withstand indefinitely, with-out serious damage, a situation in which the productive apparatus does not function normally.

#### Addendum

After the present survey had been finalized, the Italian gorernment, on 3rd July 1971, onnounced a series of expansionary measures aimed at helping mainly small and medium-sized

Several measures become offectire or soon as the relevant decree-law is published, but must be opproved by parliament within 80 days. They may be classified under two general headings:

 Budgetization of social security contributions:

(a) Employers' contributions to the Insurance Fund for Old Age and Unemployment (INPS) will be reduced by an emount equal to 5 percent of the wage bill used as a basis for contributions. This measure will apply for one year only and to a work-force of up to 300 persons for firms with a total payroll not exoceding 500. Certain branches are excluded—e.g. building enterprises which benefit from earlier special

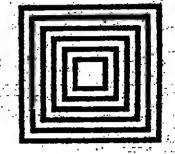
(b) A partial budgetization of contributions of all enter-prises located in the South was introduced in October 1968. This is now increased to 30 percent of the basic wage bill, but the increase applies only to additional employment. These incrotives, due to expire at the end of 1972. are prolonged until the end of 1880 in order to influence long-term business plans.

New transfers from the budget to several funds managed by the special Credit Institutions will allow an expansion of credit granted on favourable terms to particular categories of horrowers small and medium firms, artisans, agricultural enterprises, etc. Parallel measures increase the budget appropriations subsidization of interest rates aid on these categories of credit. Another measure consists of a subsigntial increase of budget appropriations to speed up tax refunds to ex-

• Sperial credit facilities:

# consorzio di credito per le opere pubbliche (CREDIOP)

Public Works Credit Consortium - Headquarters: Vis Quintino Sella, 2, Rome, Italy FULLY PAID CAPITAL: Lit. 15.300.000.000 RESERVES: LR. 114.980.794.040



verly sums

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revenues which enjoy equal rights of collection with those applying to direct taxes.

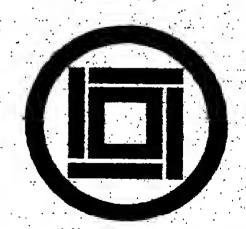
Other important operations effected by the Consortium comprise first iours to the State, the State Railways and to ANAS [Rightons Highway Authority]. Provision for the interest and repayment installments of such ional is made by exparate appropriations in the budgets of the borrowers, specifically allocated to the Consortium, in addition, the Consortium grants, Johns is local government authorities for the financing of their budget deficits and to the assignors of State annuities in respect of max damage compensation. Against the losins so granted, the Consortium learns the consortium sures the own Italien Lira or foreign currency bonds, redoemable in currespondence to the terms of repayment of the loans. The sums receivable by the Consortium defining from the extinction of the loans are appropriated exclusively to the payment of interest and amortization of the corresponding bonds. Apart from the appropriation of such sums, the bonds are also guaranteed, the subscribed capital and the reserves of the Consortium. The bonds issued as per Decree Law Mo. 124 of 15 March 1985 — convented, with modifications, find Law No. 37 of 13 May 1985 — and Law No. 38 of 18 March 1985, enjoy State guarantee.

The bonds issued by the Consortium are exempt from any existing or tuture tax, or duty. The bonds onloy parity with the Municipal and Provincial Loan Cartificates issued by the Casea Depositi a Prestiti (Post Diffue Savings and Loans Funds and With Feel Property Loan Cartificates. They are included among the securities on which the Bank of Italy is authorized to grant advances, and they may be deposited with the Central Bank by the Consortium advances, and they may be deposited with the Central Bank by the consortium advances, and they may be deposited with the Central Bank by the consortium advances, and they may be deposited with the Central Bank by the consortium advances, and they may be deposited with the Central Bank by the consorti

# istituto di credito per le imprese di pubblica utilità

(I.C.I.P.U.)

Public Utility Cradit Institute - Headquarters: Via Quintino Sella, 2. Rome, Italy FULLY PAID CAPITAL: Lit. 21.000,000,000 RESERVES: Lit. 43.336.872.740



The Institute provides the following types of financing:

- Medium and long-term loans to public and private bodies and enterprises for the provisions of public utility works, installstions and services, or of any project deemed to be in the

Medium and long-terro loans at assisted interest rates for indu-etrial and tourist projects in the Southern Italian mainland and Islands, pursuant to Law No. 717 of 26 June 1985.

Medium and long-term loans at assisted interest rates for industrial and tourist projects in the depressed areas of Northern and Central Italy, pursuant lo Law No. 614 of 22 July 1568. Medium-term loans for stimulating productive investments and assisting the technological development of small and medium-scale enterprises, pursuant to Law No. 38 of 15 February 1987, which extends the term of and amends Law No. 623 of 30

Finance for export credits and for assistance to developing countries, pursuant to Law No. 131 of 28 February 1967.

At Porto Torres, one of the largest. 

**NOM DETROLEUM** - Via Grazioli, 33 - MILAN - Italy

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# --Italy--

## Sardinia Is Turning **Problems Into Assets**

By Nino La Bello

Dio CAGLIARI, Sardinia,—After the Anopheles mosquito left the second largest island in the Medijerranean, the economy of Sardinia started to play leaping with the centuries by taking some
hig jumps towards industrialization. But like everything else on this island of peasants and shepherds, the problems of creating industries cannot be solved with DDT or the spray-guns that

eliminated malaris in 1943.

For one thing, the exodus of sardinia's labor force continues st an alarming rate, Nearly 45,000 workers have left the sengirt region in the last three years—a significant figure when deducted from Sardinla's million and a half population. Basically, the a lack of raw materials here and that almost everything must be brought in from the mainland even most of the drinking

. In spite of such limitations. Sardinia today—come two decades after the Anopheles—is an island of intense economic growth, thanks to the Piano di Rinascita (plan for the rebirth of the isand laid down with Law 588 mine years ago, which provided Sardinia with an endowment of 3645 million to be paid out in half-yearly sums up through the 1974-1975 financial year.

Queried as to Sardinia's future place in the Italian economy. Achille Sirchia, director of the Cagliari Industrial Area Consortium, said: Until recently, Sordinia was

considered isolated because it yas an island. But what was once our misfortune, is now our licket to expansion, because Sar-dina is strategically placed in the his in Mediterranean. Our ports have the advantage of having excellent of the contact possibilities with Africa. the state of the future."

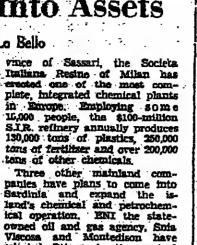
Saydinla's economic growth tobin in day centers around chemicals and

bin i petrochemicals.

minum, paper and tourism constitute the island's hope for the inture, now that the petro-chemical plants at Sarroch and Porto Torres are nearly in full Built only live years ago from

gratch, the \$50 million Saras refinery at Sarroch (near Ca-plant) chalked up in 1970 an alltime record in Italy by processing 12 million tons of crude and expetts to break this record at the end of 1971. the end of 1971.

C.S.R. Steel Products, is building At Porto Torres, in the pro- a plant in the Cagliari sone.



panies have plans to come into Sardinia and expand the is-land's chemical and petrochemical operation. ENI the stateowned oil and gas agency, Snis. Viscosa and Montedison have selected Ottana in the central part of the island to invest nearly \$460 million in an industrial complex that will deal in synthetic fibers, textiles and chemicals. The targets for the Ottana plant, which will provide employment for over 7,000 persons, include 80,000 tons of terphthalic acid, 50,000 tons of polyester and 50,000 tons of acrylic fibers.

Montedison also has extensive plans for the Cagliari area, investing approximately \$108 million in some 50 plants for the manufacture of basic petrochemicals, synthetic textiles and plas-tics. Meanwhile, ENT's 300,000ton: aromatics plants at Sarroch, for which \$79 million was invested, will go into full swing before the year is out.

#### Prospects

Another giant in Sardinia's hemical and petrochemical sector is Rumianes, whose plant at Sarroco showed an 8.3 percent hike in sales last year, going over the \$64-million mark. Rumisnes, which expects to raise its sales to \$100 million in 1972 and double its Sardinian profits by 1974, plans to invest \$110 million in the next few years into a program of expansion.

In addition to Italian companies planning new operations here, there have been a number of foreign firms exploring the possibilities. The most prominent of these have been Japanese, who are interested in using the Cagliari Industrial Area es a center for various initiatives planned for Europe. The companies studying Sardinia include Mitsuit Shipbuilding, Mitsubishi, Suzuki, Seiko and Aids, mostly involved in medium and light manufacturing. The General Cable Corp. of New York, through its subsidiary,

Australian bauxite mines. At Alsar, production of an annual output of 100,000 tons of alominum is scheduled to start before the end of this year, whereas the Euraliumina operation with 600,000 tons yearly of alumins, will begin during the fall of 1972. Perhaps the biggest project so far in Sardinian history has been

the Flumendosa River Dam which together with a number of other projects-aquedocts, irrigation works, power plants and seedling nurseries, all built with the assistance of the Southern Development Fund (Cassa per il Mes zogiorno)—serves a basin area of nearly 300 square miles. The basic objective of the dam is to provide the conditions for transforming by irrigation the vast plain that stretches from the Gulf of Cagliari to the hinterland of the Gulf of Oristano,

To push the development of its tourism industry, Sardinia is



providing incentives to foreign have been the heart of Sarinvestors, now that ferry and air dinia's economy since ancient connections have been improved times, the industrial renalissance Through IASM (the Institute for the Development of the South) the region offers 75 percept here does indeed include Spicisbut the area's hopes are linked to aluminum. The two facilities financing of building costs and for processing the mineral, which 50 percent of the furnishing costs belong to the Eurallumins and for most hotels. Alser companies, must come from Apert from the presence of the

Aga Khan development on the Costs Smeralds in the northeast for the international jet set, significant initiatives already include Swiss capital on the east coast of the Gulf of Cagliari and Belgian capital in the south. A holiday village among the pines of Santa Margherita near Cagliari was financed by Porte's Ltd. of England. The Porte development, which consists of 436 bungalows and four hotel units with a total of 1,500 beds, brings Sar-dinia's bed number today to

But Sardinia's stumbling block in the tourism sector, reflected by its annual turnover of less than \$50 million, is its short season which lasts from April until October. The brief period pushes the costs up and makes employment precarlous. If tourists could be wooed into coming to Sardinia between October and April, they would do especially well for

themselves, officials here point out, because the island has his-tory, archeology, hunting, itshing and gastronomic attractions, not to mention "unforgettable human oxperiences." Currently six study groups covering six somes of potential tourist interest have been set up to make suggestions.

Heading the list of vexing problems in the travel sector, which Sardinia has not yet faced squarely, is road communications. Italy's autostrada plans do not include any projects for Sardinia, a decision oppareotly guided by the size of the island and by its insularity. Though the main highway joining the north and the south (Sassari to Cagliari) is a good thoroughfare that has been transformed into a four-lane superhighway (with no traffic dividers), the island's roadway network is not sufficient.

For one thing, there are no arteries to link the east and west coasts of Sardinia. And however breathtaking the drive into the wild spurs of the mountains alongside the sea, there remains the problem of highway bandits. Armed Italian carabinieri (state polico) constantly patrol the road leading to Nuoro, so that chances today of a holdup are extremoly

## Tourism: A Growing Sense of Uneasiness

By Elaine Platsky

A about tourists in Italy, has said, "Nothing frightens them. Nothing stops them." But for the first time since World War II Italians are not so sure.

Until now, there was nothing to frighten tourists and nothing short of money to stop them. Until now, the magic of Italy's reputation for service, for sparki-ing seas and beaches, were almost unrivaled as tourist lures. The magnet of its art treasures and its historical architecture alono kept an ever-increasing number of Americans, Europeans and Asians flowing into its cities.

Tha service still exists, between strikes; the sea still sparkles, between oil slicks; the art and architecture still can be reached, between the frequent traffic

And tourism is suffering. The Italian National Tourist Office says that the drop in tourist trade is of 11 percent so far this year, and the problems that have contributed to that decrease are still unresolved.

#### A Decline

Predictions were that the number of tourists would exceed the 33 million of last year, and would grow each year, numbering about 45,000,000 by 1980. Now it seems doubtful that Italy can approach last year's figures during 1971.

The National Tourist Office, however, is still optimistic. "After oil, there is a ceiling," a spokesman said in reference to the once-predicted increase. can't think that it will increase every year, not in a country that receives more than 32,000,000 people a year. You can't have great increases. Anyway, the soason is just beginning. The hotel strikes are settled and if we have a good September, it will compensate for the little decline that we might have had."

But in some Rome hotels, the cancellations; for the June-October period already have decreased the number of reservations 20 to 25 percent below last year. Along the Romagna coast, which includes the popular resort of Rimini-a favorite of Germans, who represent the largest number of tourists-3 percent fewer persons are seeking accommoda-

While the downturn in tourism has come as a surprise to many,

POME.—Luigi Barzini, writing two of its principal causes have been manifest for a long time: strikes and polintion.

During the spring, a strike by museum attendants closed Italy's art attractions for more than a week. During the past three months, railroad and airport personnel have been playing roulette with passengers through so-called "hicrup" strikes. And for a total of more than 30 days so far this year, service lost not only its smile but its source in hotels throughout the country. Tourists wero left without room service; they also had to make their beds and carry their baggage.

The week-long garbage strike in May and the curtailment or interruption of other services often meant that tourists who were io Italy at the time had more to relate back homo about the crises than about the sights thoy had seen

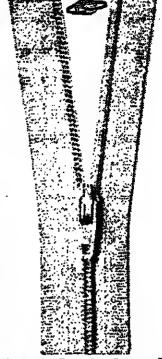
Tha problem is that there are fewer tourists and they are buying less of everything than tourists did last year. The National Tourist Office put the market value of tourism in 1970 at \$16.5 billion for Italy. Besides the fact that this amount of foreign currency is the largest contributor to off setting the nation's foreign trade deficit, it is also responsible for the jobs of at least one million

#### The Elite

It was the class of tourist who can best spend in Italy the elite tourist—who was most affected by the hotel disruptions.

At the Hassler, one of Rome's most luxurious hotels, located at the top of the famous Spanish Steps, the proprietress said she had lost about 20 percent of her clioots because of those who didn't arrivo during the strike and those who departed because they feared the worst. Still, a large Rome travel

agency reckons that the sun is all that Italy needs. A spokes-man said, Tourism here is automatic because wo've got the seaside, We laugh and we sing. Italy is a country that attracts. My customers are mostly Americans and they accept strikes and demonstrations as all being part of the democratic process. Even he, however, has a nagging doubt: "It's true that our business got hetter this year, but I don't know how much more it would have been if everything were in a normal state."



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#### ISTITUTO MOBILIARE ITALIANO

Annual Meeting-June 23, 1971

On June 23, the Annual Meeting of the Shareholders of latitude Meetitare (IMI) was held in Rome to approve the Balance Sheet and Reports for the Institute's 39th fiscal year.

Sheet and Reports for the Institute's 39th fiscal year.

Mr. Paolo Baffi, Deputy Chatman, commemorated the late
Stefano Siglenti, mentioning the salient moments of his life
as a political leader and as an eminent member of the Italian
and international financial communities.

As Chatman of IMI, a position which he held for more
than twenty-five years, Mr. Siglenti guided the Institute, with
wisdom and integrity, to its present size, pressige and international standing.

wisdom and integrity, to its present size, presuge and international standing.

The Board of Directors' Report reviews the activity of the Institute which achieved highly satisfactory results and, also through new forms of action, expanded its role as a financial intermediary; this performance appears all the more remarkable considering that 1970 has been a difficult year for the Railan economy and that the domestic capital market underwent heavy

economy and that the domestic capital market underwent heavy stresses.

Loan agreements signed—for the equivaloot of 1.022 million dollars (+11%) which rises to 1.104 millions if those of the "Maritims Credit"—Autonomous Section of IMI are included—break down as follows: investment financing, 781 million dollars (+21%); export financing, 214 million dollars (-15%); financial credit to developing countries, 18 million dollars (+59%); loans to non-residents, 9 million dollars (-34%).

Of the total amount of investment financing, 403 million dollars (52%), a new high for the Institute, went to Southern and Insular Italy; in 1970, IMI's financial contribution occounted for 47% of the new operations of the entire industrial credit system in that area.

As regards the sectorial breakdown of investment financing, industries received 544 million dollars, service activities 183 million dollars. The transactions with industries financed investment programs totaling 922 million dollars, which are expected to provide employment for 24,000 people.

Among the special operations for the account of the Government, the Report mentions those relating to the R & D Fund, which developed regularly during the course of the year; the Institute also promoted the establishment of three oow research companies.

The decrease of the Institute's activities in the sector of errort

The decrease of the Institute's activities in the sector of expert

financing, a decline shared by the entire system of the Institutes operating in the sector, reflects above all the limited amount and the vagaries of the supply of Government funds in the area of insurance and credit, and the stresses in the domestic capital

market.

The year's overall activity resulted in the amount of IMI's outstanding transactions as of March 31, 1971, reaching a total of 5.400 million dollars, with a 12% increase over the preceding fiscal year. Of this total amount, 95% concerned transactions from the Institute's own funds and 5% from special funds (managed by IMI for the account of the Government in connection with specific economic programs and financed out of public funds)

As regards the sources of funds, the diversified policy pursued by the Institute, in relation to the substantial changes which have involved the Italian and international capital markets, has made it possible to meet the substantial volume of commitments. In the whole, the bends placed during the itscal year on the Italian market totaled 966 million dollars. The Institute also engaged in extensive medium-term borrowing in foreign currencies, for 242 million dollars: most of this borrowing was done in the period of lowest liquidity on the domestic market.

As of March 31, 1971, the Tare bonds pursts oding totaled and

As of March 31, 1971, the Lire bonds outstanding totaled an equivalent of 3,971 million dollars and the funds raised in foreign currencles 732 million dollars.

In its ninth fiscal year, IMTo "Maritime Credit-Autonomous Section" extended loans totaling 82 million dollars; as of March 31, 1971, the Section's outstanding transactions totaled 432 mil-

31, 1971, the Section's outstanding transactions totaled 432 million dollars.

After a brief review of the capital market in 1970, the Report sets forth the state of the Institute's assets and liabilities and the profit and loss account. The profits, after the largest allocation to the Risk Fund permitted under the tax laws, and after the customary allocation to reserves, amounted to 12,245 thousand dollars. Of this amount, the Board proposed the allocation of 8,317 thousand dollars to the General Reserve Fund and 3,840 thousand dollars to the Shareholders (being a dividend at the read of 8% of the paid-in capital), allocating part of the balanca to other funds and bringing forward the residual.

After the reading of the Report of the Board of Auditors, the Meeting unanimously approved the Directors' and Auditors' Reports and decided in conformity with the Board's recommendations.

285,211,029

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\*IASM

Institute for Assistance In the Development of Southern Italy Viale Pilsudski 124 - 00197 ROME, Tel. 805241

ected to the CABSA PER II. MEZZOGIOSMO

#### BALANCE SHEET SUMMARY AS OF MARCH 31, 1971 (39th Fiscal Year) (Dollar equivalents calculated at the rate of Lire 625 per U.S. Dollar) LIABILITIES Subscribed capital stock Reserve Funds Bonds in Lire and foreign currencles 112,000,000 160,000,000 310,062,017 393,080,750 5,027,326,867 Liquid assets in Lire and toreign currencies. Loans in Lire and foreign currencies. Sundry credits in Lire & foreign currencies. Advances receivable and other operations in Lire and foreign currencies. Outstanding guarantees Unamortized discounts Toterest receivable and rediscounts on Borrowings and sundry debts in Lire and foreign currencies Outstanding guarantees Interest payable and rediscounts on receivables Miscellaneous items 1,870.961.818 216,056,604 125,915,831 9,601,701 .12,245,433 45,085,022 86,035.096 Interest receivable and rediscounts on Balance of year's profits ..... payables Real estate & furnituré (totally depreciated) Miscellaneous items 103,117,712 6,475,781,641 3,951,202 6,475,781,641 Contra Accounts: Loans commitments, securities and bills Contra Accounts: Loans commitments, securities and bills held 1,073,463,598 GRAND TOTAL \$ 10,541,500,017 GRAND TOTAL \$ 10,541,500,017 STATEMENT OF INCOME AND EXPENDITURES AS OF MARCH 31, 1971 EXPENDITURES 13,446,276 13,377,845 222,794,677 5,666,718 17,690,080 247,641,651 Overheads ..... 37,569,378 Interest paid on bonds Depreciation Allocation to the Risk Fund Balance of profits

285,211,029

# ENEL

## ITALIAN NATIONAL ELECTRIC ENERGY AGENCY ANNUAL REPORT AND BALANCE SHEET AS OF **DECEMBER 31, 1970**

The Board of Directors' Report discusses Enel's electric energy production and its annual progress:

The total gross production of 82,773 million kWh marked an increase of 8.2 percent with respect to 1969. This production figure is comprised of: 29,475 million kWh produced by hydroelectric stations, 47,397 million kWh produced by traditional thermoelectric stations, 3,176 million kWh produced by nuclear power stations and 2,725 million kWh from geothermal power stations.

The gross domestic produc tion of electric energy totalled 117.400 million kWh, an increase of 6.3 percent over 1969.

At the end of 1970. Enel was supplying power to 23,859,972 units, 831,885 more than the previous year. 76,101 million kWh were billed, a 10.7 percent increase, which can be calculated at 11.1 percent, if the energy supplied to the Italian State Railways is to be ex-

However, due to certain rate reductions, a practice discontimued at the end of the yearincome increased by only 9.79 percent, totaling little than 1.076 billion lire (+96 billion lire with respect to 1969).

Enel lost 90 billion lire while this rate reduction was in force. Of this sum, 40 billion lire was lost during 1970.

The hydroelectric plant at Monte S. Angelo (1st phase) began operation during the year. Two alternating turbine groups of 84,000 kW each, are installed in this plant, In the thermoelectric sector, five steam generating sections have begun service in pre-existing plants, and two in a new plant, resulting in 2,080,000 kW gross energy: in addition, two groups with an overall capacity of 6,500 kW, began operation in geothermal power plants.

Encl invested 323.1 billion lire during the course of the year in new transportation and distribution plants (258.6 billion lire in the distribution sector glone). 696 kms, of tension lines and a new transformation capacity of 3,826 MVA on the transportation networks resulted. In 1969, 285.6 billion lire was spent for this purpose and 2574 billion lire in 1968.

The three nuclear centers produced 3,176 million kWh, an increase of 89 percent with respect to 1969. The Trino Vercellese plant was mainly responsible for this increase, since it renewed operation after having been inactive for about three years. The above-menproduction can be subdivided into: Latina, 1,191 mil-Bon kWh (496 million in 1969); Garigliano, 742 million (1,183): Trino, 1,243 million (zero in 1989) The Report notes that construction of a 4th nuclear station which will be erected on the Po River, between Piacenza and Cremona, has begun. It is expected that this station will begin operations by 1975.

Agreements have been concluded with the Atomic Energy of Canada Limited for an ex-change of information relative to the Cirene prototype program and that of Gentilly of

In reference to the planning

of new plants, the Report indicates that previous provisions have been updated, resulting in a new total of 4,277 billion lire to be invested over the 1871-75, five-year period. New investments for the six-year 1971-76 period, amount to 5,297 billion lire, including the provision for an expenditure of 1,020 billion lire in 1976.

The Report includes the usual ection covering scientific and technological research, for which the Agency spent, directly or indirectly, over g billion lire in 1970,

Personnel numbered 105,048 at the end of the financial year, an increase of 1,678 per-sons, with respect to the previous year. The overall labor cost was 491,712 million lire, an increase of 65.5 billion lire over the previous year.

In the area of financing, it is reported that, including the half year ending on January 1, 1971, 1,606.6 billion lire was paid to the nationalized electricity companies, with 113 billion lire paid on account.

The following notes were issued in 1970: In January, one for the sum of 125 billion lire, umed by Italcasse, at 7 percent interest, which will mature in 15 years; one in May for 50 million dollars (U.S.A.), expiring in seven years' time, at a variable interest rate; the last one was also in May for 125 million dollars (U.S.A.), ten years, variable interest rate. The interest rate on the last two loans is about 8 percent for the May-November half-year.

It was necessary to turn to the Eurodollar market because the Italian financial market did not meet our needs.

Electricity rates remained un-changed in 1970, with the ex-ception of the reduction of rates no longer in force and that of adaptation of the price of lighting in some of the big cities. The result was that Enel increased income by 5.5 billion live during this financial year.

The Report reveals that, in rural electrification, connections to the network have been made from 1966-1969 to serve over 300,000 persons who formerly

were without electricity Connections etill are to be made for about 980,000 persons permanently residing in rural areas and 470,000 temporary residents in such areas. When the previonaly approved funds are de-pleted, there will still be about 500,000 permanent, in addition to 470,000 seasonal inhabi-tants, in places where there is no electricity.

Since the exodus from rural areas has been much higher in recent years than forecast, the population in places still without electricity bas changed considerably. Because of this situation, the Agency has decided to consider re-doing completely and rapidly the surrey of rural electrification, after which it will be necessary to make other provisions fully to solve this important problem.

A new section has been introduced in the Report this year: it concerns "Electricity and the Environment," and intends, above all, to let the public participate in the problems which have preoccupied Enel since its foundation in reference to the adaptation of plants to the areas where they are to be in-The main points are given in the final part.

The Report illustrates the main entries in the Balance Sheet, and specifies that appropriations totalled 192,868 million lire, of which 123,347 million went for amortization 2.400 million to the Credit Devaluation Fund, 2 billion to the Risk and Liability Fund and 55.121 milion lire to the Personnel Indemnity and Social Security Fund. It announces that the Profit and Loss Statement has balanced.

The text of the Board of Directors' Report ends as fol-

In 1970 we continued our intensive activity to continue strengthening our plants, so that we would be able to meet the nation's growing needs at time. This, in spite of the fact that none of our problems were solved by the government utborities (the Council of Ministers elected to grant Enel a 250 billion lire Equipment Fund. to be distributed in five annual installments of 50 billion lire each, on April 9, 1971.)

Investments made during the business year totalled 602.5 billion lire (of which 258.6 billion lire was for the distribution sector), as compared with 491.5 billion lire invested in 1969, marking an increase of ments, made at the beginning of the year, was surpassed though placed orders in the nation's

industries amounting to 584 billion lire, in comparison with 406 billion lire in 1969.

As we made known in our previous report, in the first seven years of operation (1963-1969), we invested 2.507 billion tire in the construction of new plants, to which the 1970 figure must be added. This means that in the first eight years of activity, investments have reachly under 378 billion lire. However, the provisions for the sixyear period of 1971-1976 are of completely different order with a substantial figure of 5.297 billion lire, that is, an average of almost 883 billion lire invested per year. It is easy to understand how this creates probems, mainly of a financial nature, and we cannot be unprepared at the expiration dates.

1970 was not an easy year for our company. Costs rose greatly, especially fuel, labor and financing costs, while the electricity rates remained, as is known, at

Here is some idea of how our main expenses increased in 1970: fuel (oil, coal, natural gas) increased on the average of 20 percent, labor costs, over 15 percent, financial burdens, 25 percent. The increase in labor costs only partially includes the huge burdens resulting from the provision for a new classification of personnel (the so-called adjustment). The full weight of this provision will be felt. above all, during 1971, and it is proving much more serious than the Ministry of Labor estimated at its inception.

These are the main items whose costs increased during the year under examination, but if we refer to 1959, the period when electricity rates were fixed, then these increases assume even more significance; wages in the electricity industry rose more than 110 percent, the cost of the plants to about an average of 50 percent, the price of copper (the principal metal we use) by 120 percent. The price of fuel oil has increased more than 37 percent since 1965, while that of coal has practically doubled.

It should also be taken into consideration that in recent years we bave had greatly to increase our purchases of fuels, as a result of the expansion of traditional thermoelectric over hydroelectric power, which was prevalent, instead in 1959.

It is clear that, independent of other factors which weighed dustrial management can endure if it is unable to transfer part of its increased costs outo the price of the product. That is why we have insisted, at the

meetings of the Interministerial Committee (Cipel), to which we have been invited, that we be authorized to adjust our rates.

We believe such changes would have only a limited effect on the consumers.

The increased revenue which would have resulted from these revisions would have permitted us to appropriate sums for amortization adequete to the growing number of plants in operation. However, as is known, we have been forced, particularly in recent years, to make appropriations which are absolutely insufficient and in any case below the average of appropriations made in 1962 (the last financial year before nationalization) by the 73 largest private electricity companies; 60.81 percent of the maximum fiscal al-

The amortizations which we were able to make instead are listed with the percentage of the fiscal maximum: 1963: 58.34 percent, an ap-

propriation of 3,974 million lire

1964: 52.82 percent, an appropriation of 16,157 million lire

1965: 54.02 percent, an appropriation of 15,121 million lire 1966: 54.31 percent, an appropriation of 16,763 million lire

1967: 55.19 percent, an appropriation of 15,783 million lire

1968: 48.78 percent, an ap-

propriation of 37,218 million lire 1969: 45.52 percent, an appropriation of 50.367 million lire

1970: 37.40 percent, an ap-

propriation of 83,435 million lire

This indicates how our capital situation is deteriorating, dne to the lack of governmental measures directed at maintaining the balance between our costs and income, and making a different, more convenient arrangement for the special financial burdens which have weighed, and still weigh, on our operation. This has been repeatedly pointed out, incidentally by the Government Auditing Office's report to Parliament.

Why bave we preferred to reduce amortizations rather than close the balance sheet at a loss?

For the reason that, being must find considerable financing in order to meet cash pay-ments due each indemnity half year, and to build new plants. We could not place ourselves on

the public financial market with a deficit.

Self-financing naturally declined because of insufficient appropriations for amortization While in 1964, 64.49 percent of our financial needs were met independently, thereafter, inresources began to decline, until they were reduced in 1970 to 31.77 percent of the investments made that year. At the same time, our financial obligations rose from about 58 billion lire in 1964 to almost 249 billion lire in 1970.

The year now under consideration was even more difficult because of the many often unexpected stoppages---in spite of an agreement on a new labor contract. This was particularly true in the production plants. In order to protect the consumer against inconveniences resulting from this situation we increased purchases of energy from other companies. We spent over 41 billion lire, about 10 billion lire more than last year, for this purpose.

We have included a new section in this year's Report, entitled, "Electricity and the Environment," because of the difficulties which arise every time we plan to locate new plants. We felt it necessary to expose to public view what Enel does, with the most advanced tech-niques to avoid or reduce to a minimum pollution of the environment in the area where our new thermoelectric plants are erected.

We will not repeat all that is in this section, but we believe it opportune here to point that since Enel was established, it has undertaken a series of research projects for adapting the design of each plant to the environmental conditions of the zone where it is to be placed.

In reference to coal-fueled power stations, precipitators using electrostatic methods reduce the dust in the smoke during the final phases by at least I percent of that present when it leaves the boller. We use very tall chimneys in

plants fed by mineral oil, in or-der to climinate a large amount of the combustion by-products which are emitted as poisonous gases, such as sulphur dioxide. In this way, the amounts concentrated in the soil are kept at levels absolutely non-poisonous for man, as well as for animals and plants. These levels are determined by mathematical calculations which take into account the meteorological condiplant stands. The efficiency of this solution -- experimented successfully in other heavily industrialized nations—is also confirmed by the various ex-

periments we have made in different places.

> The height of the chimneys of the plants which the Agency currently building, was calculated in such a way that the maximum concentration of sulphur dioxide in the air near the ground would not be over one part in ten million. It is known that this gas and others derived from combustion, produced by domestic heating plants and by vehicles, greatly exceed this limit. It is unrealistic, therefore, to attribute to thermoelectric plants one of the determining causes of air pollution. And, it is unrealistic -as has been done up to now -to protest their placement. True weight should be given to the relation which must exist between the need to strengthen electricity plants and the safe-

guarding of the natural environment. The results we have already obtained will, naturally, not

exempt us from continuing our research efforts, to which we dedicate considerable time and money (consider the cost of building a tall chimney). These research efforts are carried ont as well in collaboration with other agencies as interested as we are in the same problem Today's conditions certainly lead. us to believe that It would doubtless be preferable to select nuclear plants when a decision has to be made regarding the planning of new plants. Nuclear plants do not present problems of pollution, since the radiation they produce is kept within extremely modest limits and, in any case, completely tolerable, sides, they are much more advantageous than traditional plants as a result of the recent, big price increases in fuel oil and coal. Sharp price increases of the nuclear power fuel, uraium, are not expected especially since large deposits of this mineral have been discovered in various parts of the world, particularly in Australia. The location of uranium deposits, in contrast to that of the petroleum fields, assures us that Western European nations will not be forced to submit to price increases or threats to suspend supply, as in recent experiences.

Even before these events occurred, it is known that we had planned to build, in general; one powerful nuclear station each year. We have not been able to put this plan into effect, up until now, exclusively because of financial reasons, since the cost of constructing a nuclear plant is double that of a traditional plant with the same capenses are much lower. How-ever, we would like to call the particular attention of public authorities to this important problem. If they share our concern, as we believe they do, they ONDON will make it possible for us to begin our program of new me. lear construction.

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For

The serious question of the electricity companies which are operated by local agencies ship remains unsolved: many of pains be them have thought it would them have thought it would be more advantageous to request a merger with Enel. This is there a cludes recently, the Sichian spossible gion of Sichly is convinced in the disadvantage of continuing the precarious existence of a company which was originally leads to company which was originally the precarious existence of a company which was originally less is founded in order to exercise a compulsory price ceiling action of 105 Compulsory price ceiling action within the private electricity in which

No one benefits from keeping of this problem open and we hope in the different that the competent government all authorities will finally find a senite senite. 100

A new cycle in the series of the dollar direct discussions with representatives of lncsl agencies, in the leconomic categories, unloss, ager of scientific bedies and recently economic categories, unions, scientific bodies, and recently, wind said regional organs, for which the same new requires periodic, regional the bond conferences, included three meetings in 1970; October 21 in swing has a standard regional regions. Potenza for the Lucanie province. November 18 in Milan for a said from Frome for Latitum. Since these consultations were held four years after those of the Brit angers and years after those of the Brit angers are years after those of the Brit angers and years after those of the Brit angers are years after those of the Britanian and the grant was not the said and the said cycle, it was possible to examine as to the meantime, some of which were have the results of suggestions which won and were made during the previous pil but meetings. The exchange of ideas during these conferences fideas during these conferences provide us with useful elements for the investigation of our problems connected with our activities in the various regions.

In concluding our Report, we assessing

In concluding our Report, we present the sacurities would like to express approval has do not for the intelligent and wholehearted work performed by our worthwhile collaboration—often aco md tunder difficult circumstances— a Profys given him by the station man- 10 loc agers, department heads and or corp given him by the station manother executives.

To all our employees on the short of cort. It indust it industrial that it is the short of cort. It is the short of the sh modest levels, who made their contribution, during this past year, to the agency's activities and the progress, go the appreciation and thanks of the Board. The Board would like, though, to recall that the future of its employees and that of their families is closely tied to the prosperity of the Agency for which they work.

And lactly we wish to expend the families laging the lactly we wish to expend the families laging the lactly we wish to expend the families laging the lactly we wish to expend the families laging the lactly we wish to expend the lactly we will be a subject to the lactly with the lactly we will be a subject to the lactly with the lactly we will be a subject to the lactly with the lactly we will be a subject to the lactly we will be a subject to the lactly we will be a subject to the lactly with the lactly we will be a subject to the lactly with the lactly we will be a subject to the lactly with the lactly will be a subject to the lactly will employees and that of their

tude to the Minister of Indus-try and his close collaborators, who are always ready to give u

#### STATEMENT OF ACCOUNT AS OF DECEMBER 31, 1970

#### BALANCE SHEET

ASSETS		·····	LIABILITIES	1	
Ledd	Lire	6.555.269,490	Repreciation Funds: Buildings Electricity Finnis in Operation Other Flants and Machinery	Le .	17,277,578,72 2,617,195,632,81 11,566,160,53
Bellings	1	5124-1-5-1-	Farniture, Technical-Administrative and Other Equipment Flus-value at Property and Obligations	•	27,856,964,95
Electricity Plants in Operation:	-	2,830.497,287,557	of Nationalized Enterprises		88,139,100,80
Generating Stations	- 1	232.719,206,845	Total II	11 7	.152,725,679,57
Transformer Sub-stations	= 1	279,735,439,087 2,068,440,134,541	74111 2		I the first own house the first
Oistribution Nelworks Electricity Plants Under Construction		491.684.496.2031			
Other Plants and Machinery	-	37.618,083.866		i	
Other Flants and Mizchinery Formilure. Technical-Administrative	انہ	85,329,962,432	Credit Depreciation Fund	- 1	
and other Equipment	- 1		Special Contingency and Contingent		29,294,276,66
Total	Lire	6,*11.892.469.971	Personnel Indemnity and Social Security	'	8,816,963,370
	- 1		Fund	- 1	341,077,068,31
Plus-value of Property and Obligations	- 1		Debis with Real Estate Security	:	297,096,639,97
of Nationalized Enterprises	-	448,962,551,933	Bonds		38,387,518,393 1,004,341,576,77
	- 1		(Consumers' Advances and Callaires) Deposits "	• •	127.009.662.383
Expenditures and Losses to be Amortized:	- }	1	Bank Indebtedness	- 1	27,909,390 131,625,779,04
Discounts on Loans for Payments	_	90,733,937,500	Social Insurance Contributions Payable	- 1	21,673,514,37
of Indemnities	- 1	61,260,388,345	Taxes, Fees and Piscal Redrafts Physbic		47.904.533.95
VIDERS	- 1			- 1	3,838,195,13 304,231,336,71
	ſ		Other Indebtedness Various Transitory Debit Accounts Accrued Values Payable	•	37.116. 30.330
Stork og Haud:  Material and Equipment	- 1	194,691,288,531	Accrued Values Payable	: 1	106,019,671,:0
Fuel and other Stock	= 1	32,026,463-519 129,716,665	Indemnitica Payable	<b>_</b>	673,815,2gi,17;
Cash on Baud	- 1	125,110,000	Total 14	re . 7	.588,754,724,810
Fixed-Interest Securities:  Bonds		36,145,939,901 4,736,495,788 3,236,695,794 7,609,533,549 521,874,214	Former Electricity Companies to be indomnified; Provisional Net Assets		14,448,683,211
Consumer Credits Outstanding:	_	172,567,993,906	Reserve Fund-Art. 16 of ENEL By-laws	' I _	623,371,00
Dilts Outstanding		68,573,069,514	Total Lis	re i	.603,426,919,126
Credits to Equalization Funds	: [	287,674,967 113,633,033,693			<del></del>
Advances to Suppliers	= 1	68.092.012.199			
Other Credits	-	155.442,464,018			
Acerned Values Beccivable	- [	6,131.817.\$19	SUSPENSE ACCOUNTS	1	
Total	Idre	7,603,426,919,120		- 1	
			Deposits	•	40,937,182,234
	- 1		Guarantees and Endorsements	: 1	19,534,631,055 259,006,003,423
	- 1		Other Suspense Accounts upd Contra Blems	<b>-</b>	
Suspense accounts	- 1			1	
	- 1		1	1	
Deposits	: 1	40.939,182,284 12.239,621,067	1	1	
Guarantees and EndotsementsOther Suspense Accounts and Contra Items	-	257,984,482,425		1	
	]		1		
			1		•
	Lire	504,976,986,768	Total 12	í	806,976,284,760

#### PROFIT AND LOSS STATEMENT

Companies   Wh 1,535,774   Live   Liv	
Identific Companies WWA 1,503,578. Line  Identific Companies WWA 1,503,578. Line  Material and Eculpment	
Iterito Companies EWN 1,383,74 Life  d1,229,488,197  Saterial and Eculpment	
Sinch and Cher Shocks  Fresh and Olber Shocks  Ca Endidage  On Endidage  On the Plants and Machinery  On the Plants and Machinery  On Formigner, Technical-Administrative  and Gher Langment  Of Plants alle Mr. Property and Obligations  of Nationalized Enterprises  Of Expenditures and Losses  to be Amerified  Fresh and Cher Langment  Of Fargenditures and Losses  to be Amerified  Fresh and Cher Shocks  Inc. 13,873,779,779  Income from Connections, Inspection  Cherges and Maving of Meters  Losses of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  Cherges and Maving of Meters  Soles of Equipment and Material for  Installations  In	\$1.285.70S
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For Private Lighting Property ion: On Emildiary In First Plants in Operation In Control of Plants and Machinery On Finding, Technical-Administrative and Giber Fangingent On Plantale of Property and Obligations of Nationalized Enterprises  In Enterprivation  On Plantale of Property and Obligations of Nationalized Enterprises  In Enterprivation  In Expenditures and Losses to be Amortized  In Expenditures  In Expe	22,237,656
Deport Silon:  On Edidact  On Edidact  On Harding Plants in Operation  On the Plants and Machinery  On Formiguer, Technical-Administrative  and Giber Lapipment  On Plantalise Troperly and Obligations  of Nationalized Enterprises  Of Expenditures and Loses  to be Amerized  Or Expenditures and Loses  to be Amerized  Ecculi Revaloning Found  Risk and Liability Pand  Personal indemnity Pand  Sales of Equipment and Maring of Meters  Consistent in Pand  Sales of Equipment and Maring of Meters  Sales of Equipment and Maring of Met	91.530 AEL
Ou Furniture, Technical-Administrative and Other Lanipment Ou Plan-value at Properly and Obligations of Nationalized Enterprises  of Nationalized Enterprises  of Expenditures and Losses to be Amerized  for Englandian Found  Income from Connections, Inspection  Charges and Maving of Meters  Sales of Englandian and Material for Installations  Sales of Englandian and Material  Other Normal Revenue  Special Revenue  Disposal of Austra	36,603,88 <b>7</b> ,
Ou Furniture, Technical-Administrative and Other Lanipment Ou Plan-value at Properly and Obligations of Nationalized Enterprises  of Nationalized Enterprises  of Expenditures and Losses to be Amerized  for Englandian Found  Income from Connections, Inspection  Charges and Maving of Meters  Sales of Englandian and Material for Installations  Sales of Englandian and Material  Other Normal Revenue  Special Revenue  Disposal of Austra	18,290,403
of Nationalized Enterprises 10,331,100,000 and Nationalized Enterprises 11,522,779,779 and Nationalized Enterp	56.194. <b>6</b> 23,
Assels sold destroyed or transferred  Live 1,97  Live 1	71,761,081
administres and Losses  to be Amerikade	12, 102, 451
of Expenditures and Losses to be Amerized	111
to be Amerized	6,656,934
Risk and Llability Fand  Personal tademnity and Social Security  Fand  Salis,972,288  Pla Written Off in Course of Depreciation:  Assets sold destroyed or transferred  Lo Stock for Re-use  Disponal of Austral  Disponal	· · · · · · · · · · · · · · · · · · ·
Risk and Llability Fand  Personal tademnity and Social Security  Fand  Salis,972,288  Pla Written Off in Course of Depreciation:  Assets sold destroyed or transferred  Lo Stock for Re-use  Disponal of Austral  Disponal	
Personal tademaily and Social Scourity Fund  Grauls from Equalization Fund Interest and Discusses Received Earlis and Other Durs Received Other Normal Received To Slock for Re-use  Disponal of Austra	14,030,747,1
Pla Written Off lu Course el Depreciation: Assels fold destroyed or transferred Lo Slock for Re-use	107.00V.
ela Wrilten Off lu Course el Depreciation:  Assels sold desfroyed or transferred  Lo Slock for Re-use	1,500,100,6 K,438,700,6
Assels fold destroyed at fransferred to Slock for Rr-use	9,572,142,4 2,145,240,5
Disposal of Aucts:	2.364,234,8 2.428,635,6
Disposal of Aucts: Proceeds from Sales at Buildings.  Salaries, Wages and Other Remanderation 329.978.781.796 Finnis and Machinery	2,435,435,8
pugget Crois:  Naturally, Wages and Other Remuneration = 329.03.781.756  Figure and Machinery	- 8, w
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Other Personnel Expenses at 5.877.480.581	
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chance of Fuel and Other Supplies	0.142.00E.6
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ricals, Olycomia and Other Finnerial	
ses on Credity and Securities	6,983,642,71
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ordina Transfer and District Property of the Committee Committee of the Co	
Di Day Collegation Manage and Collegation of the Manage and Collegation of the Collegatio	
and other Equipment	127,1461.77
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Stock On Hand at End of Year:	
Material and Equipment  Fuels and Other Empires assuments	ANT 300-00
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Total Live 1.000.101.000.000	
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## Eurobonds

#### Dealers Waiting for Stimulus For Traditional Summer Rally

By Wayne Lintott and William Ellington

the Eurobond market are waiting to see if Wall Street main-tion g tains an upward trend that might white initiate the traditional summer rally in the convertible sector of the market:

Dealers believe a rally may be imminent, despite two false starts.

The because of certain bullish factors & that have appeared. They elte the possible solution of Lockheed Aircraft: Corp's financial dif-ficulties before Aug. 8 and, to a lesser extent, President Nixon's decision to visit mainland China. Dealers believe that if Lockheed gets its loan guarantee from the U.S. Congress, pressure will be removed from some major U.S. banks, which stand to lose \$400 million if Lockheed goes bank-

the dollar sectors, both sovern in the dollar several have halve halve halve convertibles have days despite indications of an-days despite indications of an-the other dollar crisis in the offing. are pressure and been at its lowest level in the past two days. One London said that if the pressure continues next week any rally. in the bond markets would be

Buying has been recorded in the market, however. The only new issue this week, Owensthe property of the factor of The \$20-million, 15-year issue comes to the market next Thursday. Goldman said that allotments have been widely placed. Coupon and price have yet to be fixed, but based on current

NEW YORK (AP) — Weekly Over the Counter inclinities siving, the high, low and last bid prices for the week with the net change from the previous week's less had prices. All quotations supplied by the Najbonal-Association of Securities Dealers Inc., are not actual transactions but are reservementalive interdesier prices at which these, securities could have been sold. Prices do not include retail markup, markdown or commission.

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coupon of 9 percent seems likely.
Issuing houses see little chance of coupons of top name companies being under 8 percent. Eurodollar rates have consistently remained firm and competition in that sector is increasing.

Hill Samuel shares on the London stock market also have risen.

. Both shares and bonds have been under consistent buying pressure because of rumors that merger is being discussed between Hill Samuel and S. G. Warburg and Co., another large London merchant bank

weren't immediately available for

Later Friday it was also rumored that a Eurobond issue denominated in French francs might come to the market soon. It would be the first such issue The three issues announced but

not yet placed at the end of the week totaled the equivalent of about \$58 million, up from \$56 million a week carlier.

Aside from the \$20-million Owens-Corning issue, the city of Johannesburg was scheduled to offer an 80-million-deutsche-mark issue in August through a syn-

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#### **Economic Indicators**

#### WEEKLY COMPARISONS

L	tiest Week	Prior Week	1970
	July 11	July 4	July 12
Commodity Index	198.2	108.6	110.7
*Currency in circ	•	\$38,671,800	\$54,990,000
*Total loans\$	84.778, <del>0</del> 00	\$84,790,000	\$82,095,009
Steel prod (tons)	2,348,090	2,462,808	2,568,000
Auto production		132,438	117,295
Daily oil prod (bbis)		9,635,000	9,352,000
Freight car loadings	894,235	495,950	454,390
	32,735,986	34,239,000	30,245,000
Business failures	159	193	228

MONTHLY COMPARISONS				
	†June	Prior Month	1970	
mployed	79,478,000	78,951,000	79,252,060	
nemployed	5,495,000	5,217,000	4,689,000	
•	†May	Prior Month	1970	
dustrial production	167.8	186.2	169.0	
Personal income		\$841,469,000	\$799,760,000	
Money supply			\$209,200,000	
onemr's Price Index		120.2	115.7	
onstructa contracts		. 161	116	
Mirs. inventories		290,542,000	\$97,635,000	
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dicate led by Berliner Handels-gesellschaft Frankfurt Bank. The issue was expected to carry an 8 percent coupon and be priced

account for Credit National, a French government lending in-stitution. The manager, Banque

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de Paris et des Pays-Bas, said the 15-year issue will carry an 8 percent coupon and be priced

## Financial Markets in N.Y. Turn Bullish On News of Nixon's Plans to Visit China

Amex and Over-Counter

NEW YORK, July 18 (NYT).-Trading on the American Stock

Exchange last week rose to 15,932,000 shares compared with 13,-645,630 shares in the four-day previous week.

At the end of trading, the exchange's index was down .23 to

Among the most active were Vanguard International, Inc., which closed at 2 1/2, up 5/8 for the week; Asamera Oil, 21 1/4,

Also, Syntex, 65, down 4 1/8; Amerada Hess Warrants, 17 5/8, down 5/8; National General New Warrants, 7 1/2, down 1/4; North

Canadian Oil, 7 11/16, down 1/4; and Gould, Inc., Warrants, 10 3/4,

Amco Industries, Inc., closed at 24 3/8, down 1 and Whitehall

ectric, closed at 7 5/8, down 3/8.
On the Over-the-Counter market, trading was light and prices

closed mixed. Some of the most active stocks were American

down 2 1/8; and Loew's Theatre Warrants, 29 3/8, up 1/8.

Express, DeKalb; Puritain Bennet, and Tampax,

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By Thomas E. Mullaney NEW YORK, July 18 (NYT).-

President Nixon's electrifying announcement that be would visit China on a "journey for peace" before next May instilled new confidence in the business and investment worlds late last week, but did nothing, of course, to salve the mounting irritations of the nation's economic problems.

As expected, the financial markets greeted the planned presideotial trip with a burst of bullish enthusiasm because of its potential for improving peace prospects. However, the market reaction was brief and skeptical.

The President's trip will probably prove to be only a temporary tranquilizer for the markets, because it is realized that some hard bargaining and hard deci-sions, particularly concerning Taiwan'e future, still lie ahead. Also it is unlikely that its impact would offset the disarray in the domestic economy, which is a fundamental source of tension at bome. Even though the Nixon admin-

istration earlier this month firmly and formally dismissed suggestions for stimulating the economy and throwing new reins on inflationary pressures, it may be compelled by market circumstances and other forces to review its position before long.

Approaching Crossroad

Quite clearly, the nation is fast approaching a key crossroad, where a tough decision must be made on the proper road to travel to achievs the economic stability that has been so elusive.

The economy is certainly not growing vigorously. Strike activity on behalf of sharply higher wages is intensifying. And the upward

sweep of prices is continuing with-Last week was hardly a comforting one for the administration's economic optimists. New data on industrial production, inventories, personal income, the gross national product, and other ecocomic and business indicators confirmed the suspicion that the economy's growth has slowed per-

ceptibly in recent months. And there was a significant signal in the raising of the Pederal Reserve's discount rate from 4 3/4 percent to 5 percent that the central banking system is becoming increasingly concerned over inflation.

The picture was further clouded by the start of a nationwids strike by 400,000 telephons workers and selected strikes in the railroad industry. A strike of empler workers has been under way since the end of June. And still loom-

ing is a possible shutdown of the steel industry two weeks hence. Nineteen-seventy-one is turning out to be a difficult year from the standpoint of labor strife, although not as severe as turbulent 1970 up to this point.

In the first five months of the current year, there were 2,100 strikes, against 2,300 last year at the similar time, but the total of man-days lost dropped to 12.4 million from 21.2 million in the 1970 period. The margin between the two years will be narrowed when the seven-month statistics are available with the copper, telephone and other recent strikes included. Nineteen-seventy had been the worst strike year since 1959.

In addition to the big news on the discount rate and the start of a nationwide telephone strike. the week was highlighted by the

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industrial production and auto sales; the fairly strong gain in retail value; the moderate increase in both business inventories and the GNP, and the first legislative approval of a bill to provide financial help for ailing com-

panies such as Lockheed. Output at the nation's mines and factories during June rose for the fourth consecutive month but the gain was substantially less than in May-a further indication that the economic recovery is

proceeding in a very lazy fashion. The Federal Reserve Board's industrial-production index last month advanced four-tenths of 1 percent to 167.9 percent of the 1957-59 average level. The May gain was seven-tenths of a per-centage point. Thus, output still remains almost 4 percent below the pre-recession peak reached in August, 1969. With steel and auto productico slipping so far this month, the next production report

#### may be less encouraging. Auto Sales

Meanwhile it was disclosed that auto sales in the first 10 days of July went into a big slump, with sales down 12 percent to 159,776 vehicles, the industry's worst performance in almost a decade. Detroit had been counting on sales as high as 180,000

Total sales at the nation's stores, however, cootinued to maintain rather strong gains, although much of the latest increase represented higher prices. The Juns volume was up about 8 per-

The cautious mood of the American public was reflected in the latest consumer survey of the Conference Board, which found a

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LONDON (AP-DJ) - Dealers in demand a price of par with a

One of the main features of trading in the past week was the sharp rise in bonds of Rill Samuel and Co. London mer-chant bankers. The bonds are currently priced et a record 109 bid, with attached warrants at a high of £17 50 p., the bonds carry a 7 percent coupon redeem-able 1982

to 132 pence

Spokesmen for the two banks

for several years.

The other outstanding issue was one for 15 million units of next Friday.

Issues priced during the week were a 75-million-mark, 8 percent offering of Glazo Finance (Bermuda) Ltd. at 98.25 and a \$15-million, 9 percent issue of

<del></del>
Domestic Bonds
Sales in Net Bonds 81,000 High Low Last chige
Abex Co 844577 00 103 1021/2 1021/2 1/2
AcmeM1 99699 39 112 1091/2 110
Addrinit 94595 18 187 106 107 +132   AirRed 39687 162 84 621/2 83 -1
AlaPow 952000 12 100 104 104 -1
AlaPow 31/2572 5 5
29 99 98 11-16 98 11-16 AlaPow 39ts84 8 60% 60% 60% +4%
Alaska ini 6596 622 105 9914 102 +114
Alexand 51/1596 30 10214 101 107 -114 1
Alleght cv4s81 18 70% 70 70 — % AlldCh 6.68593 25 86% 86% 86% 86% —2%
AlidCh 6.68593 25 86% 86% 86%2% AlidCh 5.20391 27 75 73% 75
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AmCyan 74s 15 97% 97% 97% — 16
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AForPw 5s2030 66 52 5TV2 52 +14
AmFP 4.80s87 52 58 57/2 58 AHolst 51/2593 126 711/2 691/2 70 — 4/2
AHolst 434s92 21 61 7976 80 -3
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A5mot 44s8 8 20 66% 66% 66% + 15

NATIONAL BANK OF GREECE S.A.

The NATIONAL BANK OF GREECE S.A. is pleased to announce the conversion of its Frankfurt, West Germany, Representative Office into a

> NATIONALBANK VON GRIECHENLAND A.G ATHEN FILIALE FRANKFURT AM MAIN Am Hauptbahnhof 16 6 FRANKFURT / M Cable Address: ETHNOTRAPEZA

has called for redemption

ALL its 41/2% Convertible

of Debentures.

surrendering Debentures for redemption.

by virtue of the above described facts.

the Debentures will cease to accrue.

them for redemption.

J. C. Penney Company, Inc.

Subordinated Debentures Due 1993

\$71% to a low of \$54%, and on July 12, 1971 the last reported sale price was \$66%.

If you own any of these Debentures, the following facts are of vital importance to your 1. August 12, 1971 has been established as the redemption date. All Debentures not converted at the close of business on August 12, 1971 will be redeemed for cash at the redemption price of 103.61% plus

accrued interest. The total amount payable on redemption is \$1,040.94 for each \$1,000 principal amount

2. The Debentures are convertible into Common Stock of J. C. Penney Company, Inc. at a conversion ratio of one share of Common Stock for each \$50 principal amount of Debentures, or 20 shares of Common Stock for each \$1,000 principal amount of Debentures. During 1971 through July 12, the reported sales prices for the Common Stock on the New York Stock Exchange ranged from a high of

3. The Company has entered into an agreement with securities dealers headed by The First Boston Corporation whereby such securities dealers, who will receive a fee from the Company, have agreed to purchase Debentures tendered to them at The Chase Manhattan Bank, N.A., Corporate Agency Department, 1 New York Plaza-14th Floor, New York, N. Y. 10015 prior to the close of business on

August 12, 1971 at \$1,043.94 per \$1,000 principal amount of Debentures, without addition of interest,

and to convert all Debentures so purchased. Please note that this price exceeds the price obtainable by

be received by the conversion agent, The Chase Manhattan Bank, N.A., Corporate Agency Department, 1 New

York Plaza -- 14th Floor, New York, N. Y. 10015, on or before August 12, 1971, when the conversion privilege expires. Failure to convert on or before August 12, 1971 could result in a substantial monetary loss to you

4. The conversion privilege expires on August 12, 1971. In order to convert, it is essential that the Debentures

5. For the convenience of Debentureholders, a form of Letter of Transmittal was mailed to them, together

6. Counsel for the Company have advised that conversion of Debentures into Common Stock will not

7. The Board of Directors has declared a regular quarterly dividend of 25 cents a share payable on August 1, 1971 to stockholders of record on July 10, 1971, to which Debentureholders converting into

result in a taxable gain or loss under present Federal income tax laws. Gain or loss will be recognized for Federal income tax purposes by those Debentureholders who sell their Debentures or surrender

Common Stock will not be entitled. However, Debentureholders of record on June 15, 1971 have

received the interest payment of \$21.25 per \$1,000 principal amount of Debentures covering the six

with a return envelope, which may be used for forwarding the Debentures to The Chase Manhattan

Bank, N.A. for conversion, sale or redemption. Additional copies of the Letter of Transmittal may be obtained from Tha Chase Manhattan Bank, N.A. The method of delivery of the Debentures to The Chase Manhattan Bank, N.A. is at the option and risk of the holder, but if mail is used, registered mail is suggested. On August 12, 1971 the date fixed for redemption, the redemption price of all the outstanding Debentures will become due and payable. Payment of the redemption price, including accrued interest to August 12, 1971 will be made at the Corporate Agency Department of The Chase Manhattan Bank, N.A., 1 New York Plaza-14th Floor, New York, N. Y 10015, upon presentation and surrender of Debentures on or after August 12, 1971 for redemption. On August 12, 1971 interest on

Branch, which will start operations on July 22, 1971.

The above Branch will operate at the following address:

#### Bond Sa n the New York Stock Exchange

ales	OÌ
Net Last ch'9a  5924 + 15  56  6972 - 11  80 - 14  80 - 15  11054 - 15  110554 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054 - 15  11054	Bobbiel BolsCal BorsW viBos& viBos& viBos& srk UnG Brk
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> OFFSHORE FUND AND "BANK" INVESTORS

A serious group of outraged investors is forming on "oction committee" to retrieve lost monies. We want to hear from you. In complete confidence write

BCM-Investors' Action Committee London WC 1Y 6XX, England.

JimWait 514571 53 11114 199% 110 —115 JoneLou 90:595 231 95 94 95 JoneLou 674594 27 64 6214 6375 —116 vikamini 45701 kancikii 91540 kancikii 91540 kanciso 314504 kariina 4575 kayara 04457 kanaciso 7764 kanciso 7764 kanciso 7764 kanciso 7764 kanciso 7764 kanciso 7765 kanciso 6595 kanciso 6 14 22'5 221/4
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#### TOKYO CAPITAL HOLDINGS N.V.

Notice to holders of Ordinary Shares to bearer

At the Annuel General Meeting of Shareholders of Tokyo Capital Holdings N.V., held on 17th May, 1971 e resolution was passed authorizing the paymant as from 12th August, 1971 of a dividend of U.S. \$ 0.20 per ordinary share against the surrender of coupon no. 1 at the offices of the Paying Agents:

Pierson, Heldring & Pierson Herengracht 214

N. M. Rothschild & Sons Limited New Court, St. Swithin's Lane London, E.C. 4

Banque Rothschild 21 Rue Lassitte

Burkhardt & Co. 7-9 Undenalles 43 Essen

it should be noted that the shares are traded ex coupon no. 1 on the Amsterdam Stock Exchange as from 12th August, 1971.

The Querterly Report as of 30th June, 1971 has been published and may be obtained from the above-mentioned Paying Agents. 19th July, 1971.

months period from January 1, 1971 to July 1, 1971. J. C. PENNEY COMPANY, INC.

> By WILLIAM M. BATTEN Chairman of the Board

NOTE that, as long as the market value of the Common Stock is more than \$52.20 per share, the market value of the Common Stock into which the Debentures are convertible is greater than either the price which would be received upon the sale of Debentures to the securities dealers or the price which would be received upon redemption.

July 15, 1971

(Continued on Page 15, col. 1) The Dreyfus Fund is a market

make your money grow and taken

Delain/Ago

# N.Y. Bond Sales

Foreign Bonds

American Exchange
Week Ended July 17, 1971
Raics Righ Low Close Cha
mard 383,000 215, 176, 556+ 5
sera O 281,709 237, 297, 214, 25
sera O 281,709 304, 57%, 39%+ 31
ck 294,500 70 64% 65 - 61
rike vt. 183,800 19 17 17%- 5
hms. 18,820,890 stares.

Market Averages

N.Y. Stock Exchange

#### Insurance Stocks

PacStd Life

International Bonds (A weekly list of non-dollar denominated issues)

| Units of Account | Arr ce Sud 5%-62 | 161 | 162 | 163 | 162 | 163 | 163 | 163 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 164 | 16 European Currency Units For trading in D.M. 9012 91% 94% 95% 106% 107% 8 98% 91% 98% 50% 58 99 100 51% 99 100 93 94 Denmark 8%-85
Dunlop 8%-85
Escom 8%-85
Hoogovens 8%-85
Hoo Bank Japan 5%-85
Ind. Bank Japan 7-83
Kansai 8%-85
Ireland 8%-85
Ireland 8%-85
Ireland 7%-84
KIM 8%-85
Norges Komm. 8%-85
Qurens Alum. 8%-85
Bo. Africa 8%-85 105 %, 105% 105 106 105%, 104%, 104%, 105%, 104%, 105%

Bank Stock Quotations

WASHINGTON, July 18 (WP).

The Federal Trade Commission has finally issued its formal complaint seeking to undo the merger of Warner-Lambert Co. and Parke, Davis & Co., two of the nation's leading drug Warner-Lambert filed sunt in U.S. District Court here against the FTC, seeking to stop it from is-suing the complaint. The com-pany's request for a temporary restraining order was rejected on

N.Y. Markets **Bullish After** Nixon News

(Continued from Page 13; significant drop in the numbers planning to buy cars and major appliances during the last two months. Intentions to buy new homes remained steady.

With consumers not spending as freely as required to spark a major surge in the economy, businessmen also have remained extremely cautious in their spending of the consumer o ing on expansion-improvement projects and for inventories.

In May business stocks rose \$630-million to \$173.8-billion, com-pared with April's gain, which was revised downward to \$580-million also a very modest amount of inventory accumulation. Had there not been steel bedge buying in fear of a strike at the end of the month, the figures would have been even less impressive.

The over-all moderate amount of inventory accumulation was certainly a factor in holding down the gain in the GNP for the second quarter. The gain for the latest three months was lower than expected at \$19.7-billion fol-lowing a revised increase of \$32.4-billion for the first quarter. The gain in real output was only 3.6 percent, while the increase in prices was about 4.2 percent.

Meanwhile personal income had a jump of \$20.2-billion in the latest quarter, but most of that was due to retroactive Social Security payments. With that factor subtracted, the gain in income was less than the \$5.4billion of May.

None of the week's highly significant news exerted any major influence on the general list of stock prices. The market was ob-viously watching and waiting for some dynamic developments on the national and international

After a sharp drop at the start of last week, reflecting some concern over disappointing stable earnings reported by the Inter-national Business Machines Corp. the market quickly steadled and won back part of its initial loss. a . moderate net decline in the leading stock averages as the market's consolidating phase was extended through its 12th con-

With 1,042 issues declining and 640 advancing, the market closed generally lower for the week, as it erased all the gains achieved the week before.

The Dow-Jones industrial average fell 13.29 points to 888.51; the Standard & Poor's index fell back 1.58 to 99.11, and the New York Stock Exchange composite re-treated 0.79 to 54.97.

Turnover on the Big Board for the week's five sessions reached 58.9 million shares, against 51.5 million for four trading days in

A similarly cautious, indecisive trend prevailed in the bond market last week. Neither economic developments nor political issues were able to affect interest rates to any great extent or create any noteworthy excitement as the market endured one of its slowest weeks of the year.

The principal attention of traders and investors was riveted on the \$150-million bond offering by the New York Telephone Company last Tuesday. After its first three days, this triple-A issue yielding 7.90 percent was less than half sold, epitomizing the war of nerves now being acted out in the capital markets.

Other than the market activity, the news that most intrigued Wall Street last week was the reports of corporate profits for the second

The early, limited returns were encouraging, particularly in view of the continued sluggish pace of the economy and the inflation-swollen costs confronting all companies today.

FTC Issues Complaint

Against Drug Merger

The action came five days after

Profits in the June quarter so far show some improvement over the first three months of the year and also over the depressed second quarter of 1970.

Of some 41 major companies that have issued financial statements so far, 23 had higher profits than a year ago for the second quarter, while 18 showed declines.

**EEC** Forecasts Grain Surplus

BRUSSELS, July 18 (WP),— The Common Market has forecast a bumper grain harvest this year that is expected to result in record surpluses.

However, fears that these surphases would lead to another dumping war on world markets are somewhat muted, partly by the American harvest forecasts and partly because—in the view of U.S. officials—the American make blight could well mean that more wheat will have to be used for animal feed.

A report by European Economic Community experts says that given normal climatic conditions," the cereals harvest will total 70.5 million tons as against 67 million tons last year. With solf-wheat surpluses amounting to 5 million tons in 1970, market officials are expecting a surplus this fall of up to 8 million tons.

In virtue of its direct subsidies and market intervention program, the surpluses are calculated to cost the common farm fund some

# Spanish Couture

For the convenience of our guests, the Autumn-Winter 1971/72 Collections of the Spanish High Fashion Houses will take place on Friday, July 23, 1971, in the Palace of Expositions according to the following program:

**PERTEGAZ** 

9: 00 a.m.

SANTA EULALIA

10: 00 a.m.

**CARMEN MIR** 

11: 00 a.m.

PEDRO RODRIGUEZ

4: 30 p.m.

HERRERA Y OLLERO

5: 30 p.m.

PEDRO ROVIRA

12: 00 a.m.

LINO

6. 30 p.m.

**ELIO BERHANYER** 

7: 30 p.m.



For further information contact:

Oficina de Promocion de la Moda Espanola Palacio de Exposiciones y Congresos Avda. Generalisimo, 29

Madrid, Spain

Telephone 2705800





By Alan Truscott

A strange feature in the 1971 world championship qualifying rounds was that East was twice dealt a nine-card club suit. In one of these deals, shown in the diagram, the normal opening bid was five clubs, ending the auc-

All the declarers rolled home 11 tricks without difficulty because South had no reason to choose the killing spade lead. Four South players led the dismond king and East was able to discard his spade on the diamond ace. The fifth South led the heart ace, which sacrificed a heart trick for the defense.

At the sixth table, Gabriel Changas for Brazil chose a cunning pass as East with the intention of backing into the auction at a later stage, This tactic misfired, for his opponents were able to find their diamond fit.

When five clubs was passed around to M. F. Tai in the North seat, he gave the situation careful thought and finally bid five dia-monds. This decision aroused great enthusiasm among Taiwanese fans watching the play on Bridge-o-Rama.

West not unnaturally doubled, hu'. did not find the perfect defense needed to justify the double. He led a club, which was ruffed in the dummy, and Patrick Huang, for Taiwan, led a trump to his queen. West won with the ace and shifted to a heart. East put up the king and the ace won. South then led the dismond

eight, a key play, and West took his jack. He played another heart, driving out the declarer's ace, and South was in control of the situation. Drawing the missing trumps

would have been an error, but Huang did not slip. He led the

DENNIS THE MENACE

00000

"IS DAD MAD AT YOU, MOM? HES WORKIN'IN

JUMBLE - that scrambled word game

Jumbles LADLE TOXIC CORNEA SLOUCH

Ameri What the photographer said to the outfielder who was about to eatch a fly-"HOLD ITI"

DROPOUTS DON'T MAKE IT

THIS MIGHT BE A

SOUND REASON FOR

LEAVING SCHOOL

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

THE GARAGE AN' HE'S GOT IT LOCKED!"

Unscramble these four Jumbles,

one letter to each square, to

form four ordinary words.

· HAT IN PARTY

HELAT

**GOBUH** 

CLEMUS

LYBBAF

Print the SURPRICE ANSWER bette

tinued with the spade ten. West covered with the king and the ace won in dummy.

Now dummy's last trump was available as an entry to the closed hand, and West's last trump was drawn. Finally the marked spade finesse gave the declarer two heart discards on dummy's spade to make the doubled game Taiwan gained 16 international match points. NORTH

A AQ864 © 8763-♦ 7653 ; EAST (D) WEST **♦** 5 ♥ K J 10 AQ 10 976432 **♣** J102 AQ54 KQ1098

Pass 10 Pass Pass Pass Pass DBL Pass.

Both sides were vulnerable.

Pass West led the club five.



BOOKS

LOS ANGELES

The Architecture of Four Ecologies By Reyner Banham. Harper & Row. 256 pp. Mustrated. \$6.35.

Reviewed by Roger Jellinek

writes Reyner Banham, "It gets attention, but it's like the attention that Sodom and Gomorrah have received, primarily a re-flection of other people's bad consciences." And yet, ask any established Angeleno what he thinks of his city, and he's likely to answer, "God's Country." Banham, an English architectural critic who has made a career out of confounding the orthodox by his disciplined and acerbic cele-brations of technology and pop-ular forms, would agree. With some irritation be writes that "Insofar as Los Angeles performs the functions of a great city, in terms of size, cosmopolitan style, creative energy, international infinence, distinctive way of life and corporate personality... then t. that same extent all the most admired theorists of the present century, from the futurists and Le Corbuster to Jane Jacobs and Sybil Moholy-Nagy, have been wrong."
Far from being a vast smor-

phous parking lot laced with freeways, Los Angeles for Ban-ham has a unique and perfectly comprehensible form, the four ecologies of his title. These ecologies, the interaction of Angelenos with the beach, the foot-hills, the plain and the freeways, are not the results of a centrif-ugal "sprawl city." but of specific historical events. First there were the original Spanish-Mexican ranchos, then the network of water mains and interurban railroads of the 1870s, which intro-duced random real-estate speculation and commuting. The freeways, often regarded as the be-ginning and the end of Los Angeles, only started replacing the railroads in 1939—in imitation of

New York. Meanwhile, continental railroad competition in the 1880s (a single silver dollar from Kansas City to L'A.) spurred a flood of immigrants from the Midwest by contrast, Banham notes, San Francisco was plugged in from the sea. Los Angeles, writes Ban-ham, "is the Middle West raised to flashpoint, the authoritarian dogmas of the Bible Belt and the perennial revolt against them colliding at critical mass: under the palm trees. Out of it comes a cultural situation where only the extreme is normal."

The true lenguage of Los Avi-

The true language of Los Angeles is the language of move-ment, says Banham, "So, like earlier generations of English intellectuals who taught themselves Italian in order to read Dante in the original, I learned to drive in order to read Los Angeles in the original." His first drive in the book is along the 70 miles of the beach. He picks out two vernacular architectures along the beach, the pervasive stucco in-door-outdoor Spanish Colonial with its great refinement by Irving Gill, and the wooden California bungalow style derived from the arts-and-crafts Greens

In the ecology of the foothills is the "fat life" of Hollywood and Beverly Hills, "epitomes of the great middle-class suburban dream." Banham writes irresistibly of its habitat: "Where would the private eyes of the fortles have been without laurel shrub-beries to lusk in, sweeping front drives to turn the car in, terraces from which to observe the garden below, massive Spanish Colonial Reviral windows to hold on to, or

Tos Angeles does not get the attention it deserves, writes Reyner Banham, "It gets rambling split-level ranch-house plans in which to lose the operation, and random rubble like." place walls to pin suspects against, and gigantic dream bed rooms from which the sure may be seen rising in heartbreaking picture-postcard splendor over the Hollywood Hills ... and essential swimming pool for the bodies. It was in this kind of residential landscape that the very real Bugsy Siegel was rub-bed out."

Banham follows up the private Banham follows up the private Hollywood dreams with a marvelous chapter on Los Angeles public fantasies. A paean to the Los Angeles hamburger (basically like any other in meat and hun, but ntterly unlike in the exiticism of its garnishes) of restaurant architecture. Both hunger and building represent the most extraverant maths of self-gratiextravagant myths of self-grati-fication." Duli concrete boxes are garnished outside with a saled of symbols and inside with Gistom Decorator interiors, the
ultimate being the plushy underlit" Gournet "Total Meal Experience," or its ranch-house the stadium
variant, Char Brolled Protein analogies
still in with "shaggy surfaces that have the same implications of mason.

linity as an unshaven chin." But none of Banham's wit and savvy can convince me that his third Los Angeles ecology has anything but historical explana-tion to recommend it. He is direct about it, calling it "The Plains of Id," the endless "central flatlands where the crudest urban.

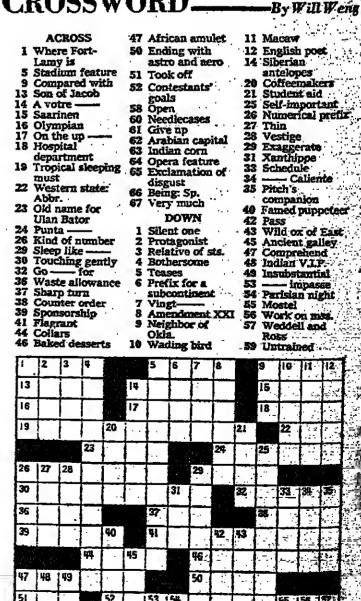
Instead and most fundamental aspirations are created, manipulated and, with luck, satisfied." To the railroads crossed at Watts but that the last train went through there in 1961 doesn't the man n vere holi make that ghetto any less de-pressing Banham makes a pass at celebrating the "plainsman's at celebrating the "platnaman's and said dream of urban homesteading" but readily agrees that "this is redeck from where Los Angeles is most like as the other cities: Anywheresville," The central plain and the day who fourth ecology "Autories" the day who fourth ecology "Autories" the day who fourth ecology, "Autonis," the seeme only freeway system, "one of the in three Tou greater works of man." So en int since J thusiastic is Banham that (with a Prance an eye to atrocious British drive a 1961-64 ing habits) he eyen tells us exing habits) he even tells us ex-Everybody loves a lover. Is a four sup-Reyner Banham simply infatuat-ed with Los Angeles, or does he lieve a case? The question is it-ent occurred

self what Banham is driving at. Underlying his supercharged sal- and road in il lies and speeding indulgences is Luis Ocans a conviction that Los Angeles needs no "case." It is a unique city, a model to itself. It's an uncomfortable model for the Beaux Arts people and the urbanologists. Los Angeles has terrible social: and environmental problems, they complain. Planning is the answer. But planning, Banham argues, has been tried in Los Angeles and it resulted either in tidy places for socially untidy people", or in most questionable exclu-sivity. And the typical attempt to impose a focus by renewal of the to race downtown Los Angeles, site of the original pueblo, lacks con-viction because it is profoundly irrelevant to the Los Angeles way of life. What Los Angeles needsand deserves is informed assessment and sophisticated criticism not the projections of patronizing

Mr. Jellinek reviews books for The New York Times.

Eastern illusions.

CROSSWORD



ه کامن برمل

## the 3.60 Tour postica ince against h was still 44 miles econds. better that af Portugal Merchy's

mn finish

of France

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eix refused

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Fine igton, Jul Fint and champion 6.6-3. -6. in Star player in fr

Car at 18 had elimin hakersfield

# Deling Val

## Stewart Scores Easily In British Grand Prix

scored a runeway victory in Sign Typelli Ford yesterday in the men to finish on the same lap from 100 (\$95,000) Formula One at Stewart now has 42 points to sin ish Grand Frix and lengthen. Stewart now has 42 points to athrepais lead in the world drivers lead the championship standings apionanip.

and he El-year-old Scot, would for hapton in 1968, gained his had in victory of the 1971 series is starts when he covered the ap, 200-mile sirfield course in our 31 minutes 31.5 seconds, everage speed of 180.48 miles 700E

in vaden's Ronnie Petersen Case ght his March-Ford 711 into

des cheers were hollow despite

e superman finish in the 20th

lainer erries had said before the ester kilometer (33.4 miles) race

it is inst the clock from Versailles

mest by he wanted to cap his vic-

bereit in the style of a champion.

tra perer needed to prove some-

So a the first since Jacques An-

that we'll of Prance won four itis tright in 1961-64 (the other ils we're-straight winner was Loui-

hen Bobet of France in 1953-55).

time a accident occurred six days

drift o during a rainstorm on a

are indeovered road in the Pyrenees

lger d seat Luis Ocana of Spain

a unique and frait been leading Merckx is an windly the seconds when he he Ber ground a turn and fell. After nology iders bumped him him, Ocana

ie so unconscions and out of the ems.t. Mercky refused to west the e any leader's yellow, sersey the

in 137 miles) Tour provided no y projection and posteally the last

le en was a race against the clock.

sitt vad he was still superman release raging 28.4 miles an hour to-roless and linishing in 1 hour 10

geles futes 322 seconds, about 2 1/2

s new lutes. better than Josquin

troud ory and besides winning the

was Mercke's fourth lap

d assettinho of Fortugal.

iessen.

osewall

ain Final

ASHINGTON, July 18 (WP).

iarty Riessen fought off th point and eliminated

abledon champion John New-

be, 4-6, 6-3, 7-6, yesterday in

sis championship. lessen's third victory over the

seeded player in four matches year halted Newcombe's

hing streak at 16 and put the

car-old from Tueson in the

th of Passdens, Calif., 6-3,

deewall had eliminated Denis

Sion of Bakersfield, Calif., 6-1.

kel el-Shafel of Egypt, 8-1,

6-2; Newcombe had overcome

ivs Gimeno of Spain, 6-1, 4-6,

and Smith had dispatched

Drysdale of South Africa,

with the last of his 11 ser-

ker victory after staying off

th point three games earlier.

mens crown went

Mrs. King Triumphis

ncisco, 6-3, 6-3,

en sealed yesterday's vic-

iralia isewall, 38, walloped Stan

in the quarterfinals. Ries ted the samificals by ousting

against Ken Rosewall of

presi shington Star international

semifinals of the \$50,000

hs rest of the 8,000-kilometer

es i be: lest: leg. ....

The LVERSTONE, England, July Brazilian Emercon Fittipaldi was but Ferraris only led Stewart for the UPD.—Scotsman Jackie Stew. third in a Lotus-Ford 72D, in two laps. The "Flying Scot" was 1;32:22.0. They were the only

> over Jackie Ickr, of Belgium, who has 19. Petersen with 15 and Pittipaldi with 10. A crowd of approximately 150 .-

> 000 asw Stewart hand the 12cylinder Ferraris a bad beating. just as he had done in the earlier Spanish. Monaco and French Grand Prix.

It was speculated that Ferrari would perform better than the eight-cylinder Tyrell on the flat

## Herckx Wins Last Leg, akes 3d Straight Tour

By Michael Katz

inch biRIS. July 18 ONYT).—He overall race, he took the points Prote into the stadium. Superman champlomship (based on daily that keneels managing to look gi-of medic while still in his racing finishes; and the combined title for mountain and flat racing the chin ch, his erched back parallel is the feed the cone lap around the color bicipal Cycling Track, grimed the color bicipal cycling track, grimed the color bick, waved hands that look high state of the color backets by the color backets. was third in the mountain laps! Joop Zoetemelk of the Nethe lands finished second overall for the second etraight year, 9 min-utes 51 seconds behind superman. Heistouch to palm basketballs to the Patrowd. The busicads of Bel-nical his cheered wildly while most Zoetemeik passed Lucien Van Impe of Beiglum, the mountain winner, today. Van Impe linishest whe rest applauded politely. . ed third, aheed of Bernard Thenema terckx, a 26-year-old Belgian nemps has become a millionaire venet of France and Agostinho. Mercky's time for the Tour. islet wigh bleycle racing, today won counting bonuses for winning laps, was 96 hours 45 minutes 14 a time shird straight Tour de France at the for the man many think min whe greatest cyclist in history,

In yesterday's 19th leg from Blots to Versailles over 185 kilometers, Merckx was 83d. Jen Brekels of the Netherlands won the lap. .

#### Crampton Ties Nichols for Lead misting on the day when he was In Western Golf in to win three Tours in a row,

CHICAGO, July 18 (AP),-Bruce Crampton and Bobby Nichols shared the lead after the third round of the \$150,000 Westlong but this Tour, superman was ern Open golf tournament vesterday with scores of 20d, five Total Milowed Mercke to win. under par.

Crampton, an Australian veteran seeking his tenth U.S. tour title, tapped in a six-incb birdie

atternout Ocana Merchet had eneral ning also to race But he

In Wins French Open BIARRITZ, France, July 18 (Reuters! - Taiwan's Lu Lianghuan won the French Open golf championship today with a three-under-par 68 for a fourround total of 272. Lu, who began with a disastrous

two-over-par 71 on Thursday, shot a six-under-par second round. Yesterday, he equalled the 62-stroke : course · record, .set by Spain's Ramon Sots in 1964, and played a coolly controlled game today to win the 132,000franc (£24,000) championship. Lu had finished second in last week's British Open.

Vincente Fernandez of Argentina also equalled Sota's record today and tied for second place with compatriot Roberto de Vi-

in front the rest of the way. Clay Regamoni of Switzerland, who won the pole position in a Ferrari, was forced out on lap 48, while Ickn's Ferrari retired on the 51st. Both had trouble with their offside front wheels, which appeared to lock. Tire and mechanical trouble played havon with the 24 starters and only 12

were running at the finish. Stewart used every inch of the track to advantage and took his low-sling hine machine through the straightaways in excess of 150 mph, Regassoni and Iokx led after the first lap. Stewart was second behind Regazzoni. He never trailed after that. On completion of the seventh lap, the Scotsman was three seconds clear.
At the halfway mark, Stewart's

end was 18 seconds and then he produced a circuit of 1:19.9 on lap 45, an average speed of 131.88 mph, to break his course record of 1:20.5 achieved in winning a race May 8. At that stage his lead was 37 seconds.

There was an ugly some on the 20th lap when spectators on the far side of the circuit broke through a fence and began throwing empty bottles on the track. Police removed the troublemakers. The race started on a dramatic note when Jeckie Oliver's Mc-Laren ran into the beck of fellow-Briton Graham Hill's Brabham as the starter's flag dropped. Bill, twice world champion, was visibly annoyed, especially as his mechanics had worked through the night installing a new engine. Denny Hulme, of New Zealand,

another former world champion, went out on lap 33 with his Mc-Laren belching smoke but the other former world champion in the lineup, John Surtees of Brit-ain, finished sixth in a TS9 of his own design.

Throttled Back Stewart throttled back for the final lape and was embraced by his wife, clad in a black jump suit, when he stepped from his car. She joined him on the trailer for the victory ceremony and laughed when her husband doused the crowd with the victor's traditional magnum of champagne. Australian Dave Walker won a Formula Three event in a Lotus by less than a car length from Pierre-François Rousselot in a

Brabham, Walker averaged 198.18

mph in the 30-lap, 88-mile race, clocking 48 minutes 42.3 seconds.

title, tapped in a six-incb birdie
putt on the final hole at Olympia
Fields Country Club for a twounder-par 68.

Nichols, 2 former PGA champion who is club pro at Firestone
in Akron, Ohio, shot 2 70.
Lee Trevino, who wen the U.S.
Canedian and British Open
titles in a four-week period, birdies the last two holes for a twoover-par 73. At 221, he was 13
strokes behind the leaders.

Brice Champton.

Brice Champton.

66-73-69-208
Bobby Nichols.

71-67-70-201
Brick Lots 1-Tonnyy Astan 61-74-70-211

1. Jackis Stewart, Scotland, TyrellFord, 1:31:21, (135,68 mph); 2. Image Profit 1:22:22,2

1. Jackis Stewart, Scotland, TyrellFord, 1:31:21,2 (135,68 mph); 2. Image Profit 1:22:24

1. Jackis Stewart, Scotland, TyrellFord, 1:31:21, (135,68 mph); 2. Image Profit 1:22:24

1. Jackis Stewart, Scotland, TyrellFord, 1:31:21, (135,68 mph); 2. Image Profit 1:22:24

1. Jackis Stewart, Scotland, TyrellFord, 1:31:21, (135,68 mph); 2. Image Profit 1:22:24

1. Jackis Stewart, Scotland, TyrellFord, 1:31:21, (136 mph); 2. Hands

4 Heart Precarboo, Prahen, MarchFord, 1:31:41, (147 laps completed); 5.

Roif Stommelen, West Germany, Surtess-Pord, 1:31:41, (147 laps completed); 5.

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Roif Stommelen, West Germany, Surtess-Pord, 1:31:41, (147 laps completed); 5.

Roif Stommelen, West Germany, Surtess-P THE PINISHEES . ..

NEW YORK, July 18 (UPD .-

Righthander Dock Ellis breezed to

his 15th victory of the season,

highest total in the National League, behind a 17-hit attack

yesterday as the Pittsburgh

Saturday

Pirates walloped the Sen Diego

Padres, 9-2, for their minth

straight victory and Ellis's 13th

Ellis, whose last of three losses

came on April 27, is the first

Pirate starter to win as many as

13 in succession since Descon

open with a six-hit, five-run third

inning, highlighted by Bob

Robertson's three-run homer, his

Willie Stargell and Manny San-

The Pirates broke the game

Phillippe in 1910.

18th of the season.



GREAT SCOT-Jackie Stewart kisses trophy after winning British Grand Prix.

## Cub Rookie Supplies Hitless Relief

Rookio reliever Ray Newman struck out three men in the fifth imning with the tle-breaking run in scoring position Sunday and pitched hitless ball the rest of the way as the Chicago Cubs defeated the Montreal Expos 8-4. Newman, in winning his first game of the season, retired the

#### Sunday

last 15 batters, striking out five. Trailing, 4-1, the Expos had jumped on starter Milt Pappas for three runs in the fifth Newman came in and struck out Ron Pairly, Bob Bailey and pinch-batter Ron Woods.

Glants 5, Braves 4 Dick Dietz smashed a two-out home run in the 12th inning, carrying San Francisco to a 5-4 triumph over Atlanta in the first game of a doubleheader. Four Giant relievers retired the

last 19 Brave batters. Cardinals 8, Mets 5

Ted Simmons's infield bit with the bases loaded in a six-run seventh inning snapped a 4-4 tile, and Joe Torre followed with a three-run double as St. Louis handed New York its 14th loss in 16 games, 8-5.

Reds 3, Padres 0 Pat Corrales drilled a two-run single and Ross Grimsley pitched a three-bitter as Cincinnati whipped San Diego, 3-0, in a rain-shortened-5-1/2-inning first game of a scheduled doubleheader.

Pirates 3, 7, Los Angeles 2, 1 Luke Walker shackled Los Angeles on one hit—Joe Ferguson's leading total of strike-outs rose leading home run in the ninth to 197.

Ellis of Pirates Hurls 13th Victory in Row

son's homer, Jose Pagan walked, Gene Alley doubled and two runs scored on Ellis's infield hit and a

throwing error by Don Mason.

· Reds 3, Giants 2

with none out capped a three-

Cincinnati-held to one hit by

Juan Marichal over the first

eight innings - 3-2 victory over

Expos 5, Cardinals 2

in the third inning to highlight a three-run rally and Ernis Mc-

Anally outducted Bob Gibson as

Astros 2, Mets 1

second base in the last of the

Roger Metzger scored from

Montreal beat St. Louis, 5-3.

Bon Fairly hit a two-run homer

San Francisco.

Tony Perez's two-run single

guillen started the rally with ninth on a single off first base-two-out singles. After Robert- man Ed Kranepool's glove and

Chicago.

Dodgers, 7-1, and swept a Sunday doubleheader. The Pirates took the first game, 3-2, as Gene Alley came home from third base with the winning run on an infield bouncer in the ninth.

Phillies 1, Astros @

Southpaw Ken Reynolds won a pitching duel from Don Wilson, allowing fust four hits as Philadelphia shaded Houston, 1-0, in the first game of a doubleheader.

Yankees 3, 6, White Sox 2, 1 In the American League, Mike Kekich allowed one hit-a homer hy Mike Andrews-to give New York a 8-1 victory over Chicago after Ron Swoboda's single climax a three-run ninth inning which enabled the Yankees to wi the first game, 3-2.

Brewers 5, Red Sox 4 Andy Kosco drove in two decisive runs as Milwaukee heat Boston, 5-4, and snapped the four-game winning streak of the Red Sox. Kosco's sixth-inning homer

#### A's Blue Wins 18th On 1-Hitter Over Tigers

OAKLAND, July 18 (NYT).— Vida Blue of the Oakland Athletics pitched a one-hitter over the Detroit Tigers Friday night to win his 18th game of the season in 21 decisions, 4-0.

Friday night the only better to solve Blue's deliveries was to center in the fourth hining. In pitching his sixth shutout of the year, Blue struck out nine and walked three. His major-league-

man Ed Kranepool's glove and

an error by second baseman Ken

Boswell to give Houston a 2-1

Phillies 5, Cubs 2

doubles, driving in two runs, to lead Philadelphia and Woodis

Fryman to a 5-2 victory over

Braves 10, Dodgers 0

Lefthander George Stone pitch-

ed a five-hitter and drove in

three of his team's first four runs

as Atlanta whipped Los Angeles,

Red Sox 13, 5; Brewers 11, 3

Smith's two-run homer capped a three-run Boston rally in the

fifth inning that carried the Red

Sox to a rain-shortened 5-3 vic-

tory over Milwaukee and a sweep

of a day-night doubleheader. The Red Sox won the opener, 18-11, as Carl Yastrzemski, breaking out

of a lengthy slump, ripped a pair

of homers and a run-scoring single and Joe Lahoud added a

Angels 10, Orioles 3

singles and knocked in a pair of

insurance runs in the seventh

inning as California took advan-

Jim Spencer collected three

two-run blast.

In the American League, Reggie

Deron Johnson slammed three

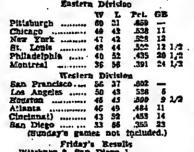
victory over New York.

ninth inning, which capped a tworun rally, proved the winning runs as the Red Sox came back with two in their half of the ninth on home runs by Rico Petrocelli and George Scott.

#### Senators 3, Twins 2

Rookie Toby Harrah raced home from third on a randown play in the bottom of the ninth inning, giving Washington a 3-2 victory over Minnesota.

Major League Standings NATIONAL LEAGUE Enstern Diricion



Friday's Results
Pittsburg 2. San Diego 1.
Sao Francisco 4. Cuncinnati 2.
Atlanta 2. Les Angeles 1.
Houston 0. New York 4.
Chicago 11. Philadelphia 2.
St. Louis 6. Montreal 0.

Salurday's Results Pittsburgh-9. San Mego. 2 Philiddelphile S. Chiesgo 2. Atlanta 10, Los Angeles 6. Cincianati 3, Bao Francis Rousins 2, New York 1. Montreal 5, St. Louis 3. Sunday's Games Chicago 8, Montreal 4 (1st).

St. Louis S. New York S.
San Prancisco S. Atlanta 4 (1st).
Philadelphia 1, Housino 0.
Pittsburgh 3, 7, Los Angeles 2, 1. ANCERICAN LEAGUE Restorn Division

Western Division

Friday's Results

Oakland 4, Detroit 9, California 5, Baltimore 6, Boston 9, Minnesota 6, Claveland 8, Kansus City 4, New York 7, Milwawkee 4, Chicago 2, Washiogton 6, Saturday's Results

Names City 7, Cleveland 2, New York 4, Ohicago 2, Detroit 2, Oakland 1, Minnesota 5, Washington 3, California 10, Baltimare 3, Boston 13, 5, Milwaukee 11, 2, Sonday's Games

New York 3. 5, Chicago 2, 2.
Baltimore at Oakland.
Ciercland at California.
Detroit at Kansas City, 2,
Milwarkes 2, Boston 4,
Washington 3, Minnesota 2,

#### The Scoreboard

CHESS—At Motow, Soviet grand-masters Tigran Petrosyan and Viktor Korchnot agreed to draw their seventh-straight match in the ten-game world semifinal series. The draw, after only 13 moves, left each with 3.5 points Scoring is a half-point for a draw, 1 point for victory. In the other semi-final climination, at Denver, grand-master Bent Larsen of Denmark, after a alight lilness, is reported ready to play Bobby Fischer of the United States. Larsen trails, 4-8.

TENNIS—At Sucharest, Romania completed a 5-6 European Zone Group B Davis Cup final triumph over West Germany. Romanians will meet India in the inter-zone semifinal in New Delhi on July 30. In the two final singles, life Nastase beat Christian Kunnke, 6-0, 6-4, 6-4; and Petre Marmursann beat Wilhelm Bungert, 6-1, 7-5, 6-1.

At Prague, Crechostovakia beat Spain

At Prague. Crechoslovakia beat Spain in the finals of the European A Zons Davis Cup tournament, 3-2, when Jan Kodes beat Manuel Oranes, 7-3, 4-6, 7-5, 6-3. Spain had led, 2-1, but Frantisck Pala beat Spain's Juan Gratert, 4-9, 5-1, 5-1, and equalized the count at 2-2.

THOROUGHBRED BACING—At The Curreth, Ireland, Altess Royal, the 1-to-2 English-trained favorite, held off a challenge by the French filly Vincen-nes to win the \$55,200 Irish Guinness Caks by a half-length. Geoff Lewis piloted the filly over the 1-1/2 miles as she completed the first English and Irish Caks double since Masaki in

At Inglewood, Calif., Ack Ack turned in one of the greatest performances in West Coast racing history, carrying a track-record 134 pounds to a 3.4-length victory in the \$176,000 Hollywood Gold Cup. The dark bay 5-year-old acc of Ratile Joined aped to his seventh straight stakes success in an excellent—considering the weight —1.59 4/5 for the 1 1/8 miles. Swaps set the stakes mark of 1.88 3/5, under 180 pounds, in 1858. Comtal, the 71-to-1 outsider in a Held of eight, finished second. Ack Ack, favored at 3 to 10, was ridden by Hill Shoemaker.

## Keino, Matzdorf Score; Ethiopian's Bizarre Run Is U.S.-Africa Highlight

By Neil Amdur

DURHAM, N.C., July 18 (NYT). -The rabbit ran too fast for Kipchoge Keino yesterday, but Mirus liter found the perfect pacer to rewrite one of the the first half-mile. but Bon, apparently too eager to memorable chapters in international track and field. One day after embarrassingly misjudging the finish line in the 5,000-meter run, the diminutive 24-year-old Ifter saved his big kick for the last 440 yards in the 10,000-meter run and outraced America's No. 1

The last lap of the 10,000 was a classic and produced loud, spon-taneous cheering from the 34,000 fans in Wallace Wade Stadium, the largest single-day crowd to attend a major track meet in the country this year.

long-distance runner, Frank

It capped an exciting two-day Africa-United States dual meet that saw a world record in the women's mile relay, the fastest time in the world this year in the intermediate hurdles, 7-foot-4-inch high jump by Pat Matzdorf, the world record-holder, and a career best javelin performance of 275-8 by Cary Feldman, the Na-tional Collegiate champion. Bill Skinner, third in the javelin, was bot bered by a blister on his throwing hand.

While Keino ran alone en route to a sensational time of 3 minutes 37.5 seconds in the 1,500-meter run, the equivalent of a 3:54 mile. Shorter, the national sixmile champion, had Ifter on his heels for almost all of the more than 24 laps of the 10,000.

Lost Count

Friday, Ifter, an Ethiopian, lost count of the laps in the 5,000-meter run and challenged Steve Prefontaine, his American rival, one lap too early, in one of the most bizarre windups to a major race in years. Yesterday coaches shonted

times and commands on the track in Amharic, the Ethiopian dialect, Ifter waited for the last lap, rushed past Shorter and quickly sprinted to a 15-yard lead.

But at the top of the last turn, in a reflection of his character and determination, Shorter began closing the gap on his smaller rival. In the stretch, with 50 meters left, Shorter reached Ifter's side. It seemed, for a second, that he would kick past him. But Ifter, running with a minimum of rest and in humid, 91-degree heat, responded to the challenge, accelerated again and kicked to a five-yard victory in 28:53.2.

Gun Lap

In Friday's 5,000 meters, Ifter suddenly sprinted to a 100-meter lead over Prefontaine with 600 meters left end seemed headed for a smashing triumph. But as the gun sounded for the last lap, liter mysteriously slowed and ed the race, and Prefentaine passed him on the turn and coasted to a comfortable victory over Paul Moses, another Ethiopian. Prefentaine, of Coos Bay, Ore, was timed in 13 minutes, 57.5 sec-

After 15 minutes of hectic consultation. conferences and, for a few moments, uncomfortable charges and counter-charges, it was discovered that Ifter had, indeed, run his sprint lap too early. The metric mile confirmed Keino's status as one of the

world's greatest runners. The Olympic champion outdistanced two Americans, none, however, named Liquori.

Considering the temperature at race time, the soft, spongy synthetic track and the absence of any formidable competition, Ketno's time was remarkable. The world record, held by Jim Rym

Keino came to this international meet in search of Marty Liquori, America's top miler, and a world record in the 1,500. Liquori, however, has been training in Europe for the Pan American Gamos later this month, so Keino decided to try for the record with a little help from a friend, Nafiall Bon, a Kenyan countryman.

Bon, a half-miler, was entered officially as a non-scorer and unofficially as Keino's rabbit for

please, rushed away and covered the first 440 in 54.4. When Bon dropped off the track at the 880-yard mark and waved Keino on, the clock read 1:55.9, almost unbelievable for a normal mile pace but understand-

Keino wanted a 1:58 half-mile

able in a paced race. The United States men and women easily won the team competition-the men's by 111-78, the women's by 79-53—but the Africans produced a significant measure of respect for next summer's Olympics off their show-ings this weekend.

John Akii-Bua, a 21-year-old policeman from Uganda, clocked 49 seconds in a flawless performance in the 400-meter intermediate hurdles. Equally as impressive in victory

was Matsdorf, the 21-year-old Wisconsin student who set a world record of 7-6 1/4 in the high jump two weeks ago and displayed precision, timing and execution in clearing 7-4 on his first attempt yesterday. The mathematics major from

Sbeboygan, Wis., missed three attempts at 7-5 but seemed satisfied that, in his own mind, he was now a legitimate international competitor.

Ben Jipco, of Kenya, won the 3,000-meter steeplechase as Notional Collegiate and AAU champion Sid Sink of Bowling Green, showing the strain of the long season, was third, in time well over his U.S record. Jipco was

clocked in 8:45.2.
Friday, Jim Green, the Kentucky sprinter, showed a return to form with a respectable vic-tory in the 100-meter dash in 10.1. Ivory Crockett was second. John Smith, the national champion

and world record-holder at 440 yards, continued his sensational summer with another driving stretch run en route to a 45.6. The most impressive note for the Africans came from Robert Ouko, a Kenyan half-miler, who outkicked Juris Luzins, America's No. 1 half-miler, and registered a six-meter victory in 1:46.7. The U.S. women's relay team of

Esther Stroy, Mavis Laing, Gwendolyn Norman and Cheryl Toussaint covered the mile in 3:38.74, one-tenth of a second better than the record which the Atoms track club-with Miss Toussaint running ancher—had set in Bakersfield, Calif., last

MEN'S EYENTS

116-Meier High Hardies — 1. Rod
Milborn, Opelouras, La., 6:12.4; 2. Ron
Draper, Chicago, 8:12.8; 8. Adeola
Aboyade-Cole, Nigaria, 8:12.8; 4. John
Akil-Bna, Uganda, 8:14.4.
440-Tard Relay — 1. USA (ivory
Crockett, Willie Deckard, Larry Black,
Int. Extens. 18:22; 2. Action October. Jun Green, 0:39.2: 2. Africa, 0:39.9.
Felo Vanit (Exhibition) — 1. Dave
Roberts, Conroc. Tex., 17 feet; 2. Sam
Caruthers, San Jose, Calif., 16-0: 3.
Jan Johnson, Chicago Haights, 16-0: 5.
Jan Johnson, Chicago Haights, 16-0: 5.
Shot-Pet — 1. Karl Saho, Crossett,
Ark., 54 feet 16 2/4 inches; 2. Nagi
Yousself, United Arab Republic, 622 1/2; 3. Vince Mouart, Brooklyn, 617 1/2; 4. Namakoro Niart, Mail, 58-1.
Long Jamp — 1. Souncy Moore, San
Diego, 25 feet 1/4 inch; 2. Josh Owusu,
Ohana, 25-11; 3. Mike Ahey, Ghana,
25-2 1/2; 4. Henry Jackson, Huntington,
N.T., 24-8 1/2.
Discuss Throw — 1. Tim Vollmer, N.Y., 24-8 1/2.

Discus Throw — 1. Tim Vnlimer,
Partiad, Gre., 199-8; 2. Namakaro
Niare, Maii, 192-9; 3. Rich Drescher,
Cambridge, Md., 192-1; 4. Segui
Kraybe, Ivory Coatt., 178-18.

1,500-Meter Relay — 1. USA (Darwin
Bond, Fred Newhouse, Tommy Turner,
John Smith), 2:03.5; 2. Africa, 3:26.9.

#### WBA Ranks Ali As No. 1 Contender

SYLVANIA, Ohio, July 18 (API.—Muhammad All is back in the World Boxing Association ranking as No. 1 contender, for the first time since he refused military induction in 1967.

The WBA said it has ranked Ali in its July ratings because the former heavyweight champion was cleared by the U.S. Supreme Court when it reversed his draft-evasion conviction. All is scheduled to fight Jimmy Ellis in a 12-rounder in Houston July 26. George Forman was ranked second. Ellis third

## Friday's and Saturday's Line Scores

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18) and Eichebarren, Handricks (8);

Wright (9-5), L Cuellar (3-2), HR
Cownn (2d), Spencer (18th), Allen

(1st). Boston 295 ers err 5 i 5 Biyleren, Haydel (4), Strickland (5), Rall (5) and Roof: Siebert (12-4) and Montgomery. L.—Biyleren (7-12), HR —Cardenas (12th) Nattles (3d). Petrpoelli (15th), Lahond (9th). Smith

Petrocall (18th), Lahond (8th), Smith (18th).

( IOYLAKE, England, July 18 2D.—Billie Jean King of Long th, Calif, won the North of tand terms title yesterday. ting Rotemary Casals of San irs. King who eliminated in semifinal round, 6-2, 7-5, hed \$3,400 Miss Casals had ted Patti Hogan of La Jolla, if., 3-6, 6-1, 6-4, in the semi-

NATIONAL LEAGUE NATIONAL LEAGUE

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Arlin (4-12) and Barton: Johnson
(8-6) and Banguillen. HR-Colhett
(20th), Robertson (17th).

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Perry, Johnson 197 and Dietz; Nolan,
(Roninper (7), Granger (8) and Corrales. Bench (8). W.-Perry (0-5], I.
Roban (1-10), HR-Foster (7th). irew Patitison of South Africa, defeated Jaidip Mirkerjea India, 6-2, 5-7, 5-2. Pattison and the final by beating comriot Bill Freer, 3-5, 6-3, 7-5, Mukerjer had prevaled over th Africa's Bob Hewitt, 4-6,

Les Angeles ... 989 018 008-1: T 4
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Sotton, Mikkelsen (5) and Haller;
Niekro (10-8) and Williams, Didler
(8). L—Sutton (9-2). (8). L-Sutton (6-2).

New York ... 100 000 021.4 18 2

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Ryan, Taylor (2). McAndrew (3).

Williams (6) and Grote: Hillingham.

Ghaddine (8) and Edwards. W-Bllingham (5-8). L-Hyan (8-7).

Philadotphia ... 202 002 202. 2 7 2

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Short, Champion (3). Brandom (6).

Wilson (6) and McCarver: Jonkins

(14-51 and Canningara, L-Short (3-11).

HR-Montanes (18th). Santo (18th),

Jenkine (3d).

Montreal ........ 906 000 000... 8 2

Jenkins (2d). Montreal ........ 990 949 000—9 5 2 St. Louis ....... 966 632 282—5 9 8 Renko, Marshall (7), Raymond (6) and Sateman; Cleveland (5-8) and Simmons. L.—Renko (8-10). SATURDAY'S GAMES AMERICAN LEAGUE

Chicago 200 661 661.2 7 7 New York ...... 100 140 202 6 7 1 Horlen, Fester (7), Hinton (3) and Herman; Ellinn (3-51 and Gibbs. L. Horlen (4-7). (First Game)

(Second Game) (5 1/3 innings—Rain.) Queen [7] and Stephenson; conhard (5). Watt (1) and

NATIONAL LEAGUE

Philadelphia ... 180 606 318 5 10 6 Chiega ...... 600 811 050 2 d I Fryman, Ecerust (7) and McCarter: Bands, Fickers (1), Krewnan (8) and Cannissato, W-Fryman (6-8). L-Caminsaro. W—Fryman (6-8). L—Hands (8-19). San Diego ...... 086 188 166—2 7 1 Pittsbargh ..... 165 687 61x—9 17 1 Norman, Laxion (4), Coombs (6) and Egndall; Ellis (15-3) and Sanguillen. L—Norman (8-6). ER—Robertson (18th)

McGlothlin (5-8) and Corrales. I—Marichal (10-6).

Mow Yark — 601 600 660—1 3 3

Houston — 609 610 691—2 8 1

Seaver (10-7) and Croke; Dierker,
Ray (4) and Edwards. W—Ray (6-2).

HR—Rader (3th).

Handreal — 665 600—3 6 8

HeAnally (2-7) and Borcabella; Cibson, Linsy (9) and Simmons. I—Giberg (5-9). HR—Fairly (7th).

(18th).

Los Angeles .... \$05 600 \$05 9 5 1

Atlanta .......... \$21 606 19x-10 18 2

Alexander, Pena '(\$), Strahler (7)

and Ferguson; Stone (3-3) and Williams. L.—Alexander (1-2). HE
Auron (25th), Carr (7th). Evans (5th).

San Francisco... \$16 \$60 \$05 5 1

Cherinas 1 ............... \$00 606 \$05 5 5

Marichal, Johnson (9) and Dien;

McGlothlin (5-8) and Corrales. L.—

Marichal (10-6).

tage of three Baltimore errors to best the Orioles, 10-3. - Tigers 2, Athletics 1 Joe Coleman struck oot ten and scattered seven hits to gain his ninth victory in 15 decisions as Detroit defeated Oakland, 3-1. Jim Northruo and Bill Freehan homered for the Tigers. Twins 5. Senators 3

Minnesota defeated Washington, Yankees 4, White Sox 2

Rookie Ray Corbin hurled seven

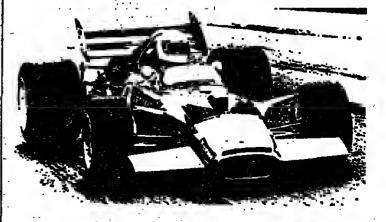
scoreless innings in relief and

After scoring twice earlier in the games on errors by second baseman Mike Andrews, New York wrapped up a 4-2 victory over Chicago with two runs in the seventh.

Royals 7, Indians 2 Lou Piniella drove in a pair of runs with a single and double, spurring Kansas City to a 7-2

rictory over Cleveland.

## Firestone MORE RACES ARE WON ON FIRESTONE TIRES



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WHAT WE LEARN ON THE TRACK Firestone USE ON THE ROAD

Mary Blume

Mme. Florette will not talk about her customers. She will mention that she dresses a Baroness de Rothschild, though she doesn't say which one, and several of the Mrs. Rockefellers.

## Discretion Is the Better Part of Vending

PARIS.—In the most literal sense, the job of a vendeuse in a French fashion house is to sell. But a top vendeuse does not speak of selling a dress to Mme. X. Instead she says, more accurately, that she dresses Mme. X. for it is the vendeuse who sees not only that the client feels she's got her money's worth, but also that the dress she wears into the light of common day is the best possible reflection of the couturier's

A vendeuse works on commission, earning on an average from \$550 to \$900 a month. At her best she has a sense of métier as profound as a craftsman's, at her worst she is a harpy. At her best she is Mme. Plorette, the top vendeuse at the august house of Balenciaga who, when Balenciaga closed, went across the street to become Givenchy's assistant directrice, and who has just moved three blocks further and one step up to become the directrics of the haute couture section of André Courrèges.

The couture division of the house of Courreges will be shown on July 29, Mme. Florette came to the house last week with one of the couture's most sought-after treasures: a list of her 500 private customers (a most impressive number, considering that the haute couture reportedly has a total of only 2,000 private

Discretion is the better part of vending in haute couture and Mme. Florette will not talk about her customers. She will mention that she dresses a Baroness de Rothschild, though she doesn't say which one, and one of the several Mrs. Rockefellers. Teams of wild dress designers could not get her to tell that she has an apartment in the same He St. Louis huilding as President Georges Pompidou-one must go to other sources to learn this.

In addition to private customers, vendeuses work with the buyers who come to Paris for the twice-yearly collections. "They don't need your advice, but if they ask for it you give it." Florette says. Private customers take much more tact and time. They usually need three fittings and a certain

Styles can be modified within reason. "If a dress has short sleeves and a client has ugly arms, why not give her long sleeves?" says Florette. If she wants a lurid color instead of the conturier's choice, Florette might say, "Don't you think you'll get tired of kelly green?" If the customer asks for a bortid bit of decoration to be added, Florette may ask, "Bot wouldn't it be prettier with your own jewelry?"
"You must let the customer make up her own mind—or

think she did," Florette says. Understandably, one of her favorite customers was the

Mme. Florette's customers followed her from Balenciaga to Givenchy, and she assumes that they'll come to Courreges despite his reputation for very young and athletic clothes.
"I can dress my customers as well as I did at Balenciage

and Givenchy, but in a different, younger style." Coats and long dresses will go especially well, she says, and she has already persuaded Courreges to add them to his evening line. Florette, whose real name is Flore, went into the couture

late Mrs. Margaret Biddle, who could order the same dress in a dozen colors. She also admires Barbara Hutton, who has

total dress recall and who once, after a collection, ordered 34 numbers without even asking to see them a second time.

Occasionally a customer will order a dress and change her

mind about it: If she is a good customer, the house absorbs

as soon as she was old enough to leave her native Sens. Working at the Paris office of Henri Bendel, she met her husband, Pierre Chelot, who was in textiles. She then became a vendeuse for her mother-in-law, Mme. Henriette, who had been a modeliste and directrice at the fine house of Callot Soeurs, and who opened her own maison de couture on the Place Vendôme.

She met Balenciaga through a mutual friend in 1937 and was impressed. My first impression was fantastic. First, he was very handsome and you knew at once that he really was somebody, that he was a great man. I thought his clothes Were marvelous the moment I saw them and we had great success from the first season—the plain little dresses, the marvelous little suits. And the evening dresses—tha black satin with the blue bands! And when he put black and brown

fogether and everyone said it was shocking . . ."

Mme. Florette was one of the first to come with Balenciaga: "I arrived with the furniture," she says. The first collection was in July, 1937, and Balenciaga soon enlarged his Avenue George V premises by converting the adjacent disused showroom of Mainbocher into his own studio.

The house of Balenciaga was a shrine guarded by a hefty and narrow-eyed cerebus named Mme, Vera. Once admitted the customer walked between two rows of grim, black-dressed vendeuses before gratefully reaching the warm and cheerful presence of Mme. Florette, With her usual perspicacity, Eugenia Sheppard once referred to "the one who smiles" and everyone knew it had to be Florette.

Her smile, rare in a country where the government once tried—and failed—to get its citizens to smile at tourists for pay, is so unusual in the hante couture that the Courrèges announcement of her arrival says, "Here is a big smile from



Florette Chelot." The use of the last name in couture is like

a Bigelow on the floor. As top pendeuse at Balenciaga, Florette earned enough to employ two assistants, Anita and Betsy (other houses usually pay the assistants' salaries, but Balenciaga didn't. Nor did ha pay for the black clothes his employees had to wear). Devoted still to Balenciaga, Florette had her bad momenta, too: "Once he made me cry because I'd sold a dress he didn't approve of to a friend of his. Then he accused me of having

a terrible temper because I had cried." The news of Balencisga's decision to close in the summer of 1968 came to his staff without warning: Florette learned about if on the radio. It was a terrible blow: "For a year afterward, I'd find myself crying in the street," she says.

"I was always happy there, but I never really knew how lucky I was. The other girls would say you're lucky and I'd

when Balenciaga closed, the top houses wanted Florette and her clients She chose Balenciaga's protégé, Givenchy, and even now she is still part of the Balenciaga family: André Courrèges was a cutter there (it was Florette who opened the door for him the first time he came) and his wife was a

Balenciaga seamstress.

The old-time Balenciaga style of haute couture is over, but Florette believes the hapte couture will last, in some form.

"Why else would Courreges hire me? I'd be of no use in his ready-to-wear and I'm costing him a lot of money."

She adapts herself to the house's style. At Balencings, she was almost stark, her blonde hair in a tight chignon. At Givencby she blossomed out, her hair in a loose wave. As directress of Courreges she wears her hair short and loose and looks years younger. The pink pillboxes she wore on the way to and from Balenciaga are in a closet: She hasn't worn a hat since 1963. Courrèges is now making her a work outfit. Until it is ready, she wears a blue silk Balenclaga.

"Now I feel I must change my style," Plorette says. "But it always remains classical. In the end, everything comes back to Balenciaga."

as she set off.

Police in the village of St. Ives, Cambridgeshire, England, have won the long and bitter

Battla of Pig Lane, Officers in the new police station in old Pig Lane demanded that the name

be changed. It was pregnant, they said, with provocation. But locals

put their feet down. They argued

Pig Lane had historical connec-

Leas. The rest is still Pig Lane.

Actor Nicol Williamson, 34, and

actress Jill Townsend, 26, were

married Saturday in a civil cere-

mony at London's Chelsea Reg-

ister Office. It was an informal

stacks. Miss Townsend was dress-

ed in a floral maxi skirt, blouse

and floppy sandals. In addition

to a flower, she held a cigarette.

comes a report that Mrs. Barbara

Waison was slapped by her den-tist because, she says, she cried

"Ouch!" when he put an instru-

ment into her mouth and touched

Tha dentist, Dr. Donald Holt.

acknowledges that he sispped

Mrs. Watson, a 22-year-old tele-phone operator. "She acted like a 3-year-old child," he declared.

"If she acts like one, I'll treat

Municipal Judge Ray Daines found that the dentist's treat-

ment of his patient went beyond

the bounds of his professional

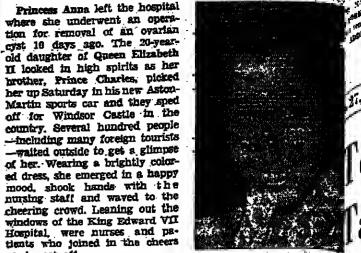
The judge slapped a \$50 fine on the dentist. Dr. Holt appealed

a sensitive tooth

her like one."

From North Las Vegas, Nev.,

Princess Anne Leaves the Hospital



Princess Anne as she about to drive off an

the jodge's verdict to State trict Court which have a heard from yet.

and columnist of The Res. (See Incident of T tions. Compromise has at last been reached. That part of the lane running past the police station will be known as Board affair. Williamson wore a short-sleeved white T-shirt with blue Reston. She and Reston

10 days in London hospi

very successful and he is a line in the line of the li native of Clydebank, Scotts entered China on July 7

A Johannesburg girls hi but Coll school has banned peaning but Coll school has banned peaning but Coll peaning but the rat the school peal if because they are constituted the Nutrition Advisory Series rehra Organization said the band set in an been ordered by the school was galman to deem ordered but a spokesment sould be the organization said. To gon best of my knowledge ther had would no proof that peanits an art he said sexual stimulant," and a Sea screet African health department rise chargificial commented: "There is a curt the scientific basis for such a bell to confur But the South African per president industry is delighted at the interview a cestion. Said a spokesman at Financian the Oilseeds Control Board at laws the is true the saie of peril former cand peanut butter will sout mes of Louningh." in League, W

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